

REPUBLIC OF SOUTH AFRICA

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# MERCHANDISE MARKS AMENDMENT BILL

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*(As amended by the Portfolio Committee on Trade and Industry (National Assembly))  
(The English text is the official text of the Bill)*

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(MINISTER OF TRADE AND INDUSTRY)

[B 33D—2001]

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[ ] Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with a solid line indicate insertions in existing enactments.

**To amend the Merchandise Marks Act, 1941, so as to define an expression and to amend certain definitions; to make further provision regarding the application of trade descriptions to goods and the alteration of trade marks; to clarify the scope of the Act in its application to trade marks; and to prohibit the unauthorized use of the national flags, armorial bearings and other official signs of Convention countries; and to provide for matters connected therewith.**

**Amendment of section 1 of Act 17 of 1941, as amended by section 1 of Act 39 of 1952, section 1 of Act 47 of 1954, section 1 of Act 49 of 1996, section 1 of Act 54 of 1987 and section 1 of Act 38 of 1997**

(a) by the insertion after the definition of “apply to” of the following definition:  
“ ‘convention country’ means any country or group of countries declared  
a convention country or convention countries in terms of section 63 of  
the Trade Marks Act, 1993 (Act No. 194 of 1993);”;

(b) by the substitution for the definition of “device” of the following definition:  
 “ ‘device’ means any visual representation or illustration capable of  
 being reproduced upon a surface, whether by printing or otherwise, but  
 does not include a trade mark;”;

(c) by the substitution for the definition of “mark” of the following definition:

“ ‘mark’ [includes a trade mark and, for the purposes of subsection (1) of section *eight* and section *nine*, a mark used upon or in connection with goods for the purpose of indicating that they are the goods of the proprietor of the mark by virtue of manufacture, production, selection, dealing with or offering for sale] means any sign capable of being represented graphically, and includes a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned, but does not include a trade mark;”;

(d) by the substitution for the definition of “name” of the following definition:  
 “ ‘name’ includes an abbreviation or addition to a name, but does not  
 include a trade mark;”;

- (e) by the substitution for the definition of “trade description” of the following definition:
- “ ‘trade description’ means any description, statement or other indication, direct or indirect, as to the number, quantity, measure, gauge or weight of any goods, or as to the name of the manufacturer or producer or as to the place or country in which any goods were made or produced, or as to the mode of manufacturing or producing any goods, or as to the material of which any goods consist, or as to any goods being the subject of an existing patent, privilege, or copyright, and includes any figure, word or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the aforementioned matters, but does not include a trade mark;”; and
- (f) by the substitution for the definition of “trade mark” of the following definition:
- “ ‘trade mark’ means a **[registered]** trade mark as defined in section 2(1) of the Trade Marks Act, 1993 (Act No. 194 of 1993), and includes a well-known trade mark contemplated in section 35 of that Act.”.

**Amendment of section 6 of Act 17 of 1941, as substituted by section 6 of Act 38 of 1997**

2. Section 6 of the principal Act is hereby amended by the substitution for the heading of the following heading:
- “Applying false trade description and alteration of trade mark”.**

**Substitution of section 7 of Act 17 of 1941, as substituted by section 7 of Act 38 of 1997**

3. The following section is hereby substituted for section 7 of the principal Act:

**“Sale and hiring out of goods bearing false trade descriptions**

7. Any person who sells or lets or offers for sale or hire any goods to which any false trade description is applied, or in relation to which a trade mark has been altered in any manner, shall be guilty of an offence, if—
- (a) at the time of the commission of the alleged offence, the person knew or had reason to suspect that the trade description was not genuine or that the trade mark had been altered; or
- (b) the person did not take all reasonable steps in order to avoid the commission of the alleged offence.”.

**Amendment of section 8 of Act 17 of 1941, as amended by section 8 of Act 38 of 1997**

4. Section 8 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:
- “(2) This section shall not have effect in respect of the application of a name or **[trade]** mark to articles used or to be used for any of the following purposes, that is to say, as coverings, labels, reels, or otherwise as articles in or with which goods manufactured or produced in the Republic are or are to be sold, if the name or mark so applied is the name or **[trade]** mark of a manufacturer, producer of or trader in those goods in the Republic, and the name or **[trade]** mark was applied with **[his]** the consent of the manufacturer, producer or trader.”.

**Substitution of section 9 of Act 17 of 1941, as substituted by section 9 of Act 38 of 1997**

5. The following section is hereby substituted for section 9 of the principal Act:

**“Sale of imported goods bearing marks in official language, unaccompanied by indication of origin**

9. Any person who sells or, for the purpose of advertising goods, distributes in the Republic any goods which were not made or produced in

the Republic, and to which there is applied any **[trade mark,]** mark or trade description in any official language of the Republic, shall be guilty of an offence, unless there is added to that mark or description, in a conspicuous manner, the name of the country in which the goods were made or produced, with a statement that they were made or produced there.”. 5

**Amendment of section 14 of Act 17 of 1941, as substituted by section 10 of Act 38 of 1997**

**6.** Section 14 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsections:

- “(1) For purposes of this section, a person uses a mark or trade mark if he 10  
or she uses it—
- (a) in connection with his or her trade, business, profession or occupation; or
  - (b) in connection with a mark, trade mark or trade description applied by him 15  
or her to goods made, produced or sold by him or her.
- (1A) (a) No person may use a mark or trade mark which consists of or 15  
contains the national flag of a convention country, or an imitation from a heraldic point of view, without authorization of the competent authority of the convention country or without being in possession of an authorization in writing signed by or on behalf of the Minister.
- (b) Paragraph (a) does not apply if no authorization for the use of a mark or 20  
trade mark contemplated in that paragraph is required by the convention country.
- (1B) No person may use a mark or trade mark which consists of or contains 25  
the armorial bearings or any other state emblem, of the Republic or a convention country, or an imitation from a heraldic point of view, without authorization of the competent authority of the Republic or convention country, as the case may be.
- (1C) No person may use a mark or trade mark which consists of or contains 30  
an official sign or hallmark adopted by the Republic or a convention country, or an imitation from a heraldic point of view, and which indicates control and warranty in relation to goods or services of the same or similar kind as those in relation to which such official sign or hallmark indicates control and warranty, without authorization of the competent authority of the Republic or convention country, as the case may be.
- (1D) (a) No person may use a mark or trade mark which consists of or 35  
contains the flag, armorial bearings or any other emblem, or an imitation from a heraldic point of view, or the name, or abbreviation of the name, of any international organization of which any convention country is a member, without authorization by such organization.
- (b) Paragraph (a) does not apply if the use of the mark or trade mark 40  
contemplated in that paragraph does not suggest to the public that a connection exists between the organization and the mark or its proprietor, or is not likely to mislead the public as to the existence of a connection between the organization and the mark or its proprietor.
- (1E) Any person who contravenes or fails to comply with any provision of 45  
subsection (1A), (1B), (1C) or (1D) shall be guilty of an offence.
- (1F) This section does not apply to a trade mark registered before 1 50  
February 1941.
- (1G) Subsections (1B), (1C) and (1D) apply to a state emblem, official sign or hallmark of a convention country, and the emblem or name, or abbreviation of the name, of an international organization only and to the extent that—
- (a) the convention country or international organization has notified the 55  
Republic in accordance with Article 6<sup>ter</sup> of the Paris Convention that it desires to protect that emblem, sign, hallmark, name or abbreviation, as the case may be;
  - (b) the notification contemplated in paragraph (a) is in force; and
  - (c) the Republic has not objected to the notification contemplated in paragraph (a) in accordance with Article 6<sup>ter</sup> of the Paris Convention.

(1H) Subsection (1B) or (1C) shall not prevent the use of a trade mark by any citizen of a country who is authorized to make use of a state emblem, official sign or hallmark of that country, notwithstanding the fact that it is similar to that of another country.”.

**Short title**

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7. This Act is called the Merchandise Marks Amendment Act, 2001.

## **MEMORANDUM ON THE OBJECTS OF THE MERCHANDISE MARKS AMENDMENT BILL, 2001**

1. The Bill seeks to clarify the scope of the Merchandise Marks Act, 1941 (Act No. 17 of 1941) ("the Act"), in its application to trade marks. A distinction is drawn between a mark, a name, a device, a trade description and a trade mark. The definition of trade mark is extended to include that of a "well-known trade mark" contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993).

2. The proposed amendments to sections 2, 6 and 8 of the Act deal with acts which amount to false trade descriptions and seek to outlaw such activities.

3. The proposed amendment to section 14 of the Act is to bring the section into line with the Paris Convention, of which South Africa is a member. An amendment is required to prohibit the unauthorized use of the state emblems of convention countries (members of the Paris Convention). Article 6~~ter~~ of the Convention prohibits unauthorized use of state emblems by persons or entities. Member states are encouraged to prohibit private use of another state's emblems without authorization. The Paris Convention is part and parcel of the Trade Related Aspects of Intellectual Property Rights Agreement (Trips), and therefore South Africa has a duty to incorporate the provisions of this Article into its legislation.

### **4. FINANCIAL IMPLICATIONS FOR STATE**

None.

### **5. CONSULTATION**

*The following bodies or organizations were consulted:*

- \* South African Police Service
- \* South African Revenue Service
- \* the business community in general.

### **6. PARLIAMENTARY PROCEDURE**

The State Law Advisers and the Department of Trade and Industry are of the opinion that the Bill should be dealt with in accordance with the procedure set out in section 75 of the Constitution of South Africa since it contains no provision to which the provisions of section 74 or 76 of the Constitution applies.



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