

STATUTES OF THE REPUBLIC OF SOUTH AFRICA—PATENTS, DESIGNS AND COPYRIGHT
s. 38 *Trade Marks Act, No. 194 of 1993* s. 38

PART X

PERMITTED USE AND REGISTERED USERS

38. Permitted use and registered users.—(1) Where a registered trade mark is used by a person other than the proprietor thereof with the licence of the proprietor, such use shall be deemed to be permitted use for the purposes of subsection (2).

(2) The permitted use of a trade mark referred to in subsection (1) shall be deemed to be use by the proprietor and shall not be deemed to be use by a person other than the proprietor for the purposes of section 27 or for any other purpose for which such use is material under this Act or at common law.

(3) Subject to the provisions of this section, a person, other than the proprietor of a registered trade mark, who uses such trade mark with the licence of the proprietor, may be registered as a registered user thereof in respect of all or any of the goods or services in respect of which the trade mark is registered.

(4) Subject to any agreement subsisting between the parties, a registered user of a registered trade mark shall be entitled to call upon the proprietor thereof to institute infringement proceedings, and, if the proprietor refuses or neglects to do so within two months after being so called upon, the registered user may institute proceedings, as contemplated in section 34, in his own name as if he were the proprietor, citing the proprietor as a co-defendant, but a proprietor so cited shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

(5) In all proceedings relating to a registered trade mark, the registration of a person as a registered user shall be *prima facie* evidence that the use of the registered trade mark by him is permitted use as contemplated by subsection (1).

(6) Where it is proposed that a person shall be registered as a registered user of a trade mark, the proprietor shall apply in writing to the registrar in the prescribed manner giving particulars of—

- (a) the name and address of the proposed registered user;
- (b) the relationship, existing or proposed, between the proprietor and the proposed registered user; and
- (c) the goods or services in respect of which the person is to be registered as a registered user of the trade mark.

(7) When the requirements of subsection (6) have been complied with, the registrar shall register the proposed registered user as a registered user in respect of the relevant goods or services.

(8) Without derogating from the provisions of section 24, the registration of a person as a registered user—

- (a) may be cancelled or varied by the registrar on application in writing in the prescribed manner by the registered proprietor or by such registered user or by any other registered user of the trade mark;
- (b) shall be cancelled by the registrar where the trade mark in respect of which such person has been registered has been assigned and application has in terms of section 40 been made for registration of the assignment, unless the subsequent proprietor registered in terms of the said section requests the registrar in the prescribed manner not to cancel any such registration and furnishes the registrar with the particulars referred to in paragraph (b) of subsection (6).

(9) The registrar may at any time cancel the registration of a person as a registered user of a trade mark, in respect of any goods or services in respect of which the trade mark is no longer registered.

(10) The provisions of this section shall also apply to all trade marks registered under the repealed Act.

PART XI

ASSIGNMENT AND HYPOTHECATION

39. Powers of, and restrictions on, assignment and transmission.—(1) Subject to any rights appearing from the register, a registered trade mark is assignable and transmissible, either in connection with or without the goodwill of the business concerned in the goods or services in respect of which it has been registered.

(2) A registered trade mark is assignable and transmissible in respect of all or some of the goods or services in respect of which it is registered.

(3) The assignment or transmission of a registered trade mark shall be subject to any deed of security hypothecating it.

(4) Notwithstanding anything to the contrary contained in subsections (1), (2) and (3), a registered trade mark is not assignable or transmissible if, as a result of the assignment or transmission and the use of the trade mark by different persons in the Republic or elsewhere, circumstances exist or would exist which give rise or would give rise to the likelihood of deception or confusion.

(5) Notwithstanding anything to the contrary contained in subsections (1) and (2) and subject to the provisions of subsection (4), where a trade mark which is the subject of a pending application for registration has subsequent to the date of the application been assigned or transmitted, the registrar may, on application in the prescribed manner, and subject to such conditions as he may deem necessary, allow the person entitled to such trade mark by reason of such assignment or transmission, to be substituted as applicant for registration of the trade mark.

(6) (a) The proprietor of a registered trade mark or the applicant for the registration of a trade mark who intends to assign it, may apply to the registrar in the prescribed manner, setting out the circumstances of the proposed assignment, for a certificate stating whether the proposed assignment of the trade mark would or would not be invalid under subsection (4).

(b) The registrar may issue to the applicant such a certificate, which shall, unless it is shown that it was obtained by fraud or misrepresentation, be conclusive as to the validity or invalidity under the said subsection (4) of the assignment in so far as such validity or invalidity depends upon the facts set out in the application, but a certificate in favour of validity shall be of no force or effect unless application for registration of the assignment or transmission is made under section 40 within six months from the date on which the certificate is issued.

(7) No assignment of a registered trade mark or a trade mark which is the subject of an application for registration shall be of any force or effect unless it is in writing and signed by or on behalf of the assignor.

40. Registration of assignments and transmissions.—(1) Where a person becomes entitled by assignment or transmission to a registered trade mark, he shall make application on the form prescribed to the registrar to register his title, and the registrar shall on receipt of the application and of proof of title to his satisfaction, register him as the proprietor of the trade mark and shall cause particulars of the assignment or transmission to be entered in the register.

(2) Every application to register an assignment or transmission in terms of subsection (1) shall recite the effective date of such assignment or transmission, and if application is made more than 12 months after such date, the applicant shall be liable to pay such penalty as may be prescribed.

41. Hypothecation and attachment.—(1) A registered trade mark may be hypothecated by a deed of security.

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(2) A registered trade mark may be attached to found or confirm jurisdiction for the purposes of any proceedings before the Transvaal Provincial Division of the Supreme Court of South Africa or the magistrate's court for the district of Pretoria and may be attached and sold in execution pursuant to an order of any such court.

(3) (a) Where a deed of security has been lodged with the registrar in the prescribed manner, the registrar shall endorse the register to that effect.

(b) Such endorsement shall record the name and address of the person in whose favour the deed of security has been granted and the nature and duration thereof.

(4) A deed of security in respect of which an endorsement has been made in accordance with the provisions of subsection (3) shall have the effect of a pledge of the trade mark to the person or persons in whose favour the deed of security has been granted.

(5) An assignment or transmission of a registered trade mark in respect of which a deed of security has been endorsed in terms of subsection (3) shall not, without the written consent of the person in whose favour the deed of security has been granted, be registered by the registrar in terms of section 40.

(6) Where the debt or obligation secured by a deed of security in respect of which the register has been endorsed in terms of subsection (3) has been discharged, any person may apply to the registrar in the prescribed manner for the removal from the register of any endorsement in relation thereto made under subsection (3).

PART XII

CERTIFICATION TRADE MARKS AND COLLECTIVE TRADE MARKS

42. Certification trade marks.—(1) A mark capable of distinguishing, in the course of trade, goods or services certified by any person in respect of kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering of the services, as the case may be, from goods or services not so certified, shall, on application in the prescribed manner, be registrable as a certification trade mark in respect of such first-mentioned goods or services, in the name, as proprietor thereof, of that person: Provided that a mark may not be so registered in the name of a person who carries on a trade in the goods or services in respect of which registration is sought.

(2) Subject to the provisions of this section, the provisions of this Act shall, except in so far as is otherwise provided, and in so far as they can be applied, apply to a certification trade mark.

43. Collective trade marks.—(1) A mark capable of distinguishing, in the course of trade, goods or services of persons who are members of any association from goods or services of persons who are not members thereof, shall, on application in the manner prescribed and subject to the provisions of this section, be registrable as a collective trade mark in respect of such first-mentioned goods or services in the name of such association as the proprietor thereof.

(2) Geographical names or other indications of geographical origin may be registered as collective trade marks.

(3) Subject to the provisions of this section, the provisions of this Act shall, except in so far as is otherwise provided, and in so far as they can be applied, apply to a collective trade mark.

PART XIII

POWERS AND DUTIES OF REGISTRAR

44. Venue of proceedings.—Any proceedings before the registrar under this Act shall be heard and disposed of by him at the trade marks office: Provided that if it be made to appear to him by any party that the proceedings may more conveniently or fitly be heard and disposed of in another place, he may hear and dispose of the proceedings in such other place.

45. General powers of registrar.—(1) The registrar shall, in connection with any proceedings before him, have all such powers and jurisdiction as are possessed by a single judge in a civil action before the Transvaal Provincial Division of the Supreme Court.

(2) Where no provision is contained in this Act on any matter of procedure, the registrar shall apply the rules governing procedure in the Transvaal Provincial Division of the Supreme Court.

(3) Whenever by this Act any time is specified within which any act is to be performed or thing is to be done by any person, the registrar may, on application by that person and unless otherwise expressly provided, extend the time either before or after its expiration.

(4) Where any party to any proceedings before the registrar neither resides nor carries on business in the Republic, the registrar may order him to give security for the costs of the proceedings and, in default of such security being given, may dismiss the application or opposition, as the case may be.

46. Power of registrar to allow amendment of document.—(1) The registrar may at any time before the registration of a trade mark permit the amendment of any document relating to any application or proceedings before him on such terms as to costs or otherwise as he may think just.

(2) If rights in a trade mark which is the subject of a pending application, have been acquired by a body corporate subsequent to the date of application, the registrar may, on good cause shown, permit amendment of the application by the substitution of the name of the body corporate as applicant for registration, notwithstanding that such body corporate was not in existence as at the date of the application.

47. Duty of registrar in exercising discretionary power to give opportunity to applicant of being heard.—Whenever any discretionary power is by this Act given to the registrar, he shall not exercise that power adversely to any person without giving that person an opportunity of being heard personally or by his agent.

48. **Taxation of costs awarded by registrar.**—Any costs awarded by the registrar shall be taxed by a taxing officer of the Transvaal Provincial Division of the Supreme Court and payment thereof may be enforced in the same manner as if they were costs allowed by a judge of that division.

PART XIV

EVIDENCE

49. Register to be *prima facie* evidence.—Any register kept under this Act shall be *prima facie* evidence of any matters directed or authorized by this Act to be inserted in that register.

50. Certificate of registrar to be *prima facie* evidence.—(1) A certificate purporting to be under the hand of the registrar as to any entry, matter or thing which he is authorized

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by this Act to make or do, shall be *prima facie* evidence of the entry having been made and of the contents thereof and of the matter or thing having been done or left undone.

(2) Printed or written copies or extracts purporting to be copies of or extracts from any register or book or document relating to trade marks and kept in the trade marks office and certified by the registrar and sealed with the seal of that office, shall be admitted in evidence in all courts and proceedings without further proof or production of the originals.

51. Registration to be *prima facie* evidence of validity.—In all legal proceedings relating to a registered trade mark (including applications under section 25) the fact that a person is registered as the proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

52. Certification of validity.—(1) If in any proceedings the validity of any registration of a trade mark is in issue, the court finding that registration to be valid, may certify to that effect.

(2) If in any subsequent proceedings the validity of that registration is unsuccessfully attacked by any party, that party shall, unless the court otherwise directs, pay to the other party his full costs, charges and expenses as between agent or attorney and client so far as that registration is concerned.

PART XV

APPEALS TO AND POWERS OF COURT

53. Recourse to court, and appeals.—(1) Without derogating from the provisions of subsection (2), any person aggrieved by any decision or order of the registrar may, within a period of three months after the date of any such decision or order, apply to the Transvaal Provincial Division of the Supreme Court for relief, and the said court shall have the power to consider the merits of any such matter, to receive further evidence, and to make any order as it may deem fit.

(2) Any party to any opposed proceedings before the registrar may appeal to the Transvaal Provincial Division of the Supreme Court against any decision or order pursuant to such proceedings.

(3) In addition to any other powers conferred upon it by this Act, the Transvaal Provincial Division of the Supreme Court may in relation to such appeal—

- (a) confirm, vary or reverse the order or decision appealed against, as justice may require;
- (b) if the record does not furnish sufficient evidence or information for the determination of the appeal, remit the matter to the registrar with instructions in regard to the taking of further evidence or the setting out of further information;
- (c) order the parties or either of them to produce at some convenient time in the said court such further proof as shall to it seem necessary or desirable; or
- (d) take any other course which may lead to the just, speedy and as far as may be possible inexpensive settlement of the case; and
- (e) make such order as to costs as justice may require.

(4) Every appeal to the Transvaal Provincial Division of the Supreme Court from a decision or order of the registrar shall be noted and prosecuted in the manner prescribed by law for appeals to that division against a civil order or decision of a single judge of that division, save that—

- (a) no leave to appeal to the said division shall be necessary;