The role of Trademarks and Geographical Indications in advancing Economic Development in Developing Countries in Africa: An Investigation into Zimbabwe and South Africa

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Signature: Date:
Acknowledgements

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Abstract

Small and Medium Enterprises (SMEs) and small scale farming constitute an integral part of African economies. These small scale producers, however, face significant challenges in market access, marketing, advertising, and developing the reputation of their products and services. In this respect, appropriate intellectual property (IP) strategies could be leveraged, particularly where producers come together as a collective. The focus of this thesis is to explore options on how developing countries in Africa can begin to think about using trademarks and geographical indications for SMEs and small scale farmers.

The international legal framework for the protection of trademarks and geographical indications has shaped the national legal regimes of countries. There is, however, flexibility in the type of legal protection strategy that could be utilised by small scale producers – trademark, certification mark, collective mark, geographical indication – but these options have not been sufficiently adopted for such producers. This thesis examines the legal frameworks for protection in Zimbabwe and South Africa and submits that by developing clusters to improve the efficiency of small scale producers and strengthening producer associations, governments can set the framework upon which to develop capacity to use trademarks and geographical indications.

Using a case study, the thesis identifies issues that impede the adoption of trademarks and geographical indications, among these, institutional deficiencies, insufficient knowledge of trademarks and geographical indications and limited access to legal information. It proposes legislative and regulatory changes to enhance uptake of trademark and geographical indication protection and proposes identifying strategic clusters that could use these IP rights.
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<tr>
<td>Agribank</td>
<td>Agricultural Bank of Zimbabwe</td>
</tr>
<tr>
<td>AGRITEX</td>
<td>Agricultural Technical and Extensions Service</td>
</tr>
<tr>
<td>ARDA</td>
<td>Agricultural Rural Development Authority</td>
</tr>
<tr>
<td>ARIPO</td>
<td>African Regional Intellectual Property Organization</td>
</tr>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>Broad-Based Black Economic Empowerment Act 53 of 2003</td>
</tr>
<tr>
<td>CASP</td>
<td>Comprehensive Agricultural Support Program</td>
</tr>
<tr>
<td>CGCZ</td>
<td>Credit Guarantee Company of Zimbabwe</td>
</tr>
<tr>
<td>CIPC</td>
<td>Companies and Intellectual Property Commission</td>
</tr>
<tr>
<td>CIRAD</td>
<td>Centre de coopération internationale en recherche agronomique pour le développement</td>
</tr>
<tr>
<td>CoRI</td>
<td>Coffee Research Institute</td>
</tr>
<tr>
<td>CZI</td>
<td>Confederation of Zimbabwe Industry</td>
</tr>
<tr>
<td>DALRRD</td>
<td>Department of Agriculture, Land Reform and Rural Development</td>
</tr>
<tr>
<td>DPME</td>
<td>Department of Planning, Monitoring and Evaluation</td>
</tr>
<tr>
<td>DSBD</td>
<td>Department of Small Business Development</td>
</tr>
<tr>
<td>EC</td>
<td>European Communities</td>
</tr>
<tr>
<td>ESARIPO</td>
<td>English Speaking African Regional Industrial Property Organization</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FTLRP</td>
<td>Fast Track Land Reform Programme</td>
</tr>
<tr>
<td>GATT</td>
<td>Uruguay Round of negotiations under the General Agreement on Tariffs and Trade</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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GEM  Global Entrepreneurship Monitor
GMB  Grain Marketing Board of Zimbabwe
IADFP Integrated Agriculture Development Finance Policy Framework
ICO  International Coffee Organisation
IFC  International Finance Corporation
IGO  Indications of geographical origin
IP   Intellectual Property
ISPESE Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises
ITC  International Trade Centre
MAFISA Micro Agricultural Financial Institutions of South Africa
NGO  Nongovernmental Organisations
OAPI Organisation Africaine de la Propriété Intellectuelle
PAIPO Pan-African Intellectual Property Organization
PAMPIG Projet d’Appui à la Mise en Place d’indications Géographiques
REC  Regional Economic Community
SABS South African Bureau of Standards
SADC Southern African Development Community
SARC South African Rooibos Council
SARS South African Revenue Service
SAZ Standards Association of Zimbabwe
SEDA Small Enterprise Development Agency
SEFA Small Enterprise Finance Agency
SME Small and Medium Enterprises
<table>
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<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>SMEDCO</td>
<td>Small and Medium Enterprises Development Corporation</td>
</tr>
<tr>
<td>TIMB</td>
<td>Tobacco Industry Marketing Board of Zimbabwe</td>
</tr>
<tr>
<td>TRIPS</td>
<td>Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
</tr>
<tr>
<td>US</td>
<td>United States of America</td>
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<tr>
<td>WIPO</td>
<td>World Intellectual Property Organization</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
<tr>
<td>ZCM</td>
<td>Zimbabwe Coffee Mills</td>
</tr>
<tr>
<td>ZIPO</td>
<td>Zimbabwe Intellectual Property Office</td>
</tr>
<tr>
<td>ZIMRA</td>
<td>Zimbabwe Revenue Authority</td>
</tr>
<tr>
<td>ZimStats</td>
<td>Zimbabwe National Statistics Agency</td>
</tr>
<tr>
<td>ZimTrade</td>
<td>Zimbabwe National Trade Development and Promotion Organisation</td>
</tr>
<tr>
<td>ZimVAC</td>
<td>Zimbabwe Vulnerability Assessment Committee</td>
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Chapter 1 – Introduction

1.1 Objective and relevance of the research

The objective of this thesis is to examine how African countries can begin to think about using trademarks and geographical indications as tools for economic development through utilising these IP rights for SMEs and small scale farming, which are two sectors that contribute significantly to African economies. It has been suggested that developing countries may not fully exploit the opportunities brought about by trademarks and geographical indications protection. In that context, the aim of the thesis is to assess in what way such legal protection schemes can be adopted for small scale producers and it focuses on the research questions outlined below.

The research around trademarks has not sufficiently focused on African SMEs which are important in the economies of many African countries, as already highlighted. Studies have largely focused on individual trademarks but not collective marks, certification marks and geographical indications in the SME sector. These collective rights could, however, offer better prospects for African SMEs, particularly in terms of market access and marketing, considering the size of SMEs.

Developing countries in other continents have realised the export value of their agricultural products in international markets and made efforts to register trademarks or geographical indications over those products. Key examples include Indian Basmati Rice,

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1 As the thesis investigates two legal protection regimes, the term distinguishing marks is also used when discussing them together, as they both serve as strategies to distinguish goods and services.

2 The thesis explores the legal protection regimes in the context of SMEs and small scale farming, and as these two sectors are largely characterised by their size, the term small scale producers will be used when discussing them together.


Darjeeling tea from India\(^7\) and Blue Mountain Coffee from Jamaica\(^8\). Scholars argue that geographical indications are ‘pro-poor’ because they generally draw upon agricultural products produced by rural communities and any trade benefits would accrue to such communities\(^9\). In this context they could be useful in African countries.

Geographical indications have been predominantly used as a tool for product differentiation in the EU and the rest of the world has been catching up\(^10\). Available research on geographical indications in Africa has focused on identifying potential products that could be protected\(^11\) and recently assessing some that have been registered\(^12\). However, not enough attention has been paid to assessing the identified products in relation to the specific legal and institutional frameworks of the countries from which these products originate.

There are three issues which stand out from the discussions around geographical indications; (i) ‘the success of a mechanism is dependent on its economic and social outcomes’\(^13\), (ii) they are product and country specific; hence each country must identify potential geographical indications, assess the legal framework and institutional capacity, and measure these against the perceived benefits\(^14\) (cost-benefit analysis); and (iii) a strong legal framework must be adapted to a country’s specific needs\(^15\). This makes an investigation into specific countries indispensable.

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The relevance of this thesis is that it focuses on how to practically implement trademark and geographical indication protection for SMEs and small scale farming in Zimbabwe and South Africa, by leveraging clusters and producer associations. It builds upon the research that has been done on developing countries in Africa and uses Zimbabwe and South Africa as proxies. The main contribution of this thesis is that it offers new insights into adopting legal protection schemes for small scale producers in African countries.

1.2 Research methodology

The purpose of the thesis is to better understand how developing countries in Africa can utilise trademarks and geographical indications to advance their economic development objectives and focuses on Zimbabwe and South Africa to offer some country-specific context. This entails an inquiry into the legal frameworks for trademarks and geographical indications, their functions, and the extent to which they could be effectively appropriated by small scale producers. The thesis therefore mainly adopts a doctrinal methodology. It examines legal sources – relevant international and African regional instruments, national legislation and policies of Zimbabwe and South Africa, and judicial decisions of the courts of the two countries.

As this thesis submits that SMEs and small scale farming can be potential users of trademarks and geographical indications, it examines the characteristics of the two sectors to assess in what way adopting such IP strategies can be effective. In that context, it focuses on the legislation and policies of Zimbabwe and South Africa around the two sectors and select challenges that they face, which could potentially be addressed by adopting trademarks and geographical indications. The thesis relies on scholarly texts and academic literature – books, journals, research reports and theses – and newspaper articles.

The research is complimented by an exploratory case study in chapter 7 on Chipinge coffee in the Eastern Highlands of Zimbabwe. South Africa, unlike Zimbabwe, has had experience with origin-linked products\(^\text{16}\). The purpose of the study therefore is to explore new insights on how Zimbabwe could use trademarks and geographical indications for origin-linked products. The reasons for this are twofold; firstly, Zimbabwe enacted a *sui generis*

geographical indications law, but no local products have yet been protected, even though a few have been identified\(^{17}\). Secondly, Chipinge coffee, which is investigated in the study, has drawn significant interest\(^{18}\) and is grown mostly by small scale farmers. It is a ripe opportunity to consider the potential and limitations of adopting legal protection for Chipinge coffee. The case study involved interviews with stakeholders, including the coffee growers, the Zimbabwe Coffee Mills, Zimbabwe IP Office and the Coffee Research Institute. The ethical clearance for the study was obtained from the University of Cape Town’s Law Faculty Research Ethics Committee. The detailed methodology for the case study is contained in chapter 7 which presents and discusses the findings.

### 1.3 Research questions

The overall research question of this thesis is: how can developing countries in Africa utilise trademarks and geographical indications to advance their economic development objectives? In addressing this question, it is important to understand the scope of protection as developed through international instruments that set the standards reflected in national laws, and the function of the legal protection schemes. Crucially, it is necessary to identify specific areas where such rights can be better utilised to yield results and how that can be implemented. To that end, the thesis addresses the following specific issues:

1. What are the functions of trademark and geographical indication?
2. What is the international and African regional legal framework for the protection of trademark and geographical indication?
3. How can Zimbabwean and South African SMEs and small scale farmers of unique agricultural products potentially benefit from trademark and geographical indication protection?
4. What are some of the structural and operational challenges in using trademark and geographical indications for SMEs and small scale farmers?


5. What legislative changes can Zimbabwe and South Africa adopt and what interventions can be made to enhance the use of trademark and geographical indication by SMEs and small scale farmers?

1.4 Research Context

SMEs are important for economic development in developing countries in Africa where they are recognised as engines for growth and potential sources of income\textsuperscript{19}. They play a role in stimulating economic growth, particularly through creating employment and poverty alleviation in African countries\textsuperscript{20}. Some researchers note that they contribute more than half to the GDP in most African economies\textsuperscript{21}. They are considered efficient as they make productive use of scarce resources, which is usually the case in Africa\textsuperscript{22}, assist larger firms avoid administrative difficulties and produce goods and services relevant to the local market\textsuperscript{23}. Their adaptability and flexibility to market conditions are key advantages for SMEs for operating in developing country contexts.

One of the major contribution of SMEs is creating employment and some researchers argue that employment generation is the most important contribution of SMEs to the economy\textsuperscript{24}. They employ a diverse labour force, from low skilled to highly skilled and provide opportunities for transfer of knowledge, know-how, and skills\textsuperscript{25}. However, the paucity of data from developing countries, especially in Africa, makes analysis for SMEs in


\textsuperscript{23} Fanta op cit note 3 at 31.


developing countries a challenge. A World Bank study showed that small firms contributed 16.5 per cent and medium firms 27 per cent, making a combined percentage of 43.5 per cent for the SMEs. Nonetheless, this makes them crucial in government efforts on poverty reduction and, government and policy makers have thus made SMEs a key focus area for economic objectives.

Considering that SMEs generally engage in small scale production and service provision, they can find it difficult to access markets and costly to engage in marketing and advertising. In addition, to enjoy market share their products and services must be of good quality and an effective marketing strategy creates consumer awareness. One crucial tool that SMEs could use to raise competitiveness in the local market and gain market access abroad is the utilisation of distinguishing marks (i.e., trademarks and geographical indications).

Though the research on developing country SMEs and their use of trademarks and geographical indications has been limited, it has been insightful. In India, for example, some SMEs already use certification marks as badges of quality. On the African continent, a national study on Tanzania assessed a broad spectrum of SMEs and there was a general observation that low levels of awareness of IP rights in SMEs and a lack of support structure contributed to the low uptake of IP in the SME sector. However, some trademark protected brands in Tanzania were more widely known than the businesses that produced these products.

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27 Ibid at 10.
28 Fanta op cit note 3 at 31.
33 Saha op cit note 32 at 29.
34 Mwakaje op cit note 5.
35 Ibid at 63.
36 Ibid at 59.
Another sector, crucial in developing countries, is small scale farmers, which constitute a significant portion of agricultural production. It is estimated that of all farms in the world, at least 90 per cent are managed by an individual or a family and rely on family labour to produce more than 80 per cent of the world’s food\(^37\). They are considered by some as more efficient due to their reliance on family labour in comparison to hired labour\(^38\), the so-called inverse relationship between farm size and productivity. The argument is that small scale farmers have lower transaction costs as they are labour intensive and operate mostly in rural areas with less capital needs therefore, they are more productive\(^39\). However, these studies have been criticised, among other reasons, for flawed methodology that does not draw a representative sample of large farms\(^40\). Nonetheless, some studies note that in Africa, agricultural growth can be more effective in reducing poverty than growth in non-agricultural sectors especially in low-income countries\(^41\).

In Africa, small scale farmers dominate agriculture and contribute to the agricultural produce for exports – for example, in Ghana 90 per cent of the cocoa exported is produced by small scale farmers\(^42\). Developing countries are a significant source of several agricultural products which are exported, processed and value added in developed countries, with the final products endorsed by trademarks and sold at a premium\(^43\) and a significant portion of these are cultivated by small scale farmers. In addition, countries that rely largely on export of common agricultural commodities like coffee, cocoa, sugar, and tea, are exposed to price fluctuations at global markets which negatively affects farmer’s earnings\(^44\).

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\(^37\) FAO op cit note 3 at 31.
\(^41\) FAO op cit note 3 at 28.
Further, there is recognition of food production steeped in traditional knowledge in Africa\textsuperscript{45}. Indigenous communities have long held knowledge and practices passed down from generations that shape their way of life\textsuperscript{46} and have developed typical products, based on the interaction between local knowledge particular to the environmental conditions such as the soil and climate\textsuperscript{47}. Scholars note that geographical indications provide developing countries with an avenue for traditional knowledge in agricultural production methods to be commercialised\textsuperscript{48} for the benefit of holders of those methods and the communities. It has been said that whereas most forms of IP reward new knowledge that is useful for industrial or commercial purposes, geographical indications can transform traditional knowledge into value\textsuperscript{49}. The African Union’s Continental Strategy for Geographical Indications: 2018-2023, recognises this aspect and the potential to preserve and promote traditional products, through geographical indications, as a method to promote sustainable rural development\textsuperscript{50}.

Against this backdrop, it is understandable that developing countries now explore new strategies for the purposes of market differentiation and capturing value from origin-linked products\textsuperscript{51}. Some countries in Africa such as Kenya, Ghana, and Rwanda have already identified legal protection schemes as a strategy from which they can realise incomes\textsuperscript{52}. Several products have been registered on the continent, including Oku White Honey from

\textsuperscript{45} Ibid at 303.
\textsuperscript{47} C Bramley and JF Kirsten ‘Exploring the economic rationale for protecting geographical indicators in agriculture’ (2007) 46 (1) Agrekon 69-93 at 70.
\textsuperscript{48} Evans & Blakeney op cit note 44 at 258.
\textsuperscript{51} Evans & Blakeney op cit note 44 at 297.
\textsuperscript{52} Ibid.
Cameroon\textsuperscript{53}, Ziama Macenta coffee from Guinea\textsuperscript{54} and more recently, Tete goat from Mozambique\textsuperscript{55}.

1.5 \textbf{Structure of the thesis}

The thesis is composed of eight chapters, including this introductory chapter. The second chapter discusses the functions of trademarks and geographical indications, the different terminology around origin-based goods and the relationship between trademarks and geographical indications. It concludes with a reflection on the potential uses and limitations to using the legal protection schemes for small scale producers.

In addressing the second sub-question, chapter 3 sets out the international legal frameworks and chapter 4 the African regional legal frameworks under the two regional IP organisations, the African Regional Intellectual Property Organization (ARIPO) and the \textit{Organisation Africaine de la Propriété Intellectuelle} (OAPI).

Chapter 5 then provides some country-specific context and analyses the legal frameworks for trademark and geographical indication protection in Zimbabwe and South Africa, partly addressing the third sub-question. The two countries have largely similar trademark regimes, with protection under common law and under statute, and Zimbabwe has a \textit{sui generis} system for geographical indications while South Africa primarily protects them under certification and collective marks.

Chapter 6 also addresses the third sub-question and takes a closer look at two important sectors in both Zimbabwe and South Africa in which trademarks and geographical indications protection could be beneficial: the SME sector and small scale farming. It discusses the concept of clustering, as a framework upon which to build capacity for small scale producers to use the legal protection schemes.

The fourth sub-question is resolved in chapter 7, which presents and discusses the findings of the exploratory case study on the potential of adopting a distinguishing mark for

\textsuperscript{53} T Coulet and MT Mahop ‘Cameroon: Oku White Honey’ In M Blakeney, T Coulet, G Mengistie and MT Mahop (eds) \textit{Extending the Protection of Geographical Indications: Case Studies of Agricultural Products in Africa} (2012) 137-149

\textsuperscript{54} Chabrol et al op cit note 12. African countries have also used the trademark regimes to protect origin-based products for example Belle de Guinee, a collective mark for a potato from Guinea, see AU Continental Strategy op cit note 50 at 7.

Chipinge coffee. It discusses the perspectives of the coffee growers and examines the options for protection under the trademark regime and under the geographical indication law.

Finally, chapter 8 summarises the thesis, draws conclusions and makes recommendations for legislative changes that Zimbabwe and South Africa can consider. The chapter also proposes possible interventions to enhance the use of trademarks and geographical indications to facilitate economic development and resolves the fifth sub-question.
Chapter 2 - Trademark and geographical indication regime

2.1 Introduction

This chapter begins with a discussion of the key functions of trademarks and geographical indications. It then examines the different terminology around origin-linked goods and the approaches to protecting origin-linked goods. The chapter discusses the relationship between trademarks and geographical indications and concludes with a reflection on the potential uses and challenges to using trademarks and geographical indications for small scale producers in Africa.

2.2 Trademark system

2.2.1 Trademarks

The WTO’s Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) defines trademarks as ‘any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings.’ 56 A trademark holder is given the opportunity to exclusively utilise and gain benefit from a product or service bearing the trademarks. As trademarks identify goods or services of enterprises, there is motivation to consistently produce quality goods or services knowing that there is a reputation to protect with consumers and competition on the market from different enterprises. 57 To the consumer, trademarks minimise search costs; instead of having to compare all similar products and services that are available on the market, one can simply choose a product or service based on previous experiences.

2.2.2 Certification marks and collective marks

Related to trademarks are certification and collective marks. The Paris Convention for the Protection of Industrial Property (1883) 59 in art. 7bis (1) provides for the protection of collective marks but there is no similar provision for certification marks. Certification marks,

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56 TRIPS Agreement, art. 15 (1). The international legal framework for trademark protection is discussed further in chapter 3.
on the one hand, indicate compliance with specified standards set by the owner and an enterprise that complies with such standards can be permitted to use the certification mark. An example of a certification mark is the Karoo Meat of Origin for lamb and mutton from sheep in the Karoo region of South Africa. Collective marks, on the other hand, are signs which distinguish the material, mode of manufacture or other common characteristics of goods or services of different enterprises under a particular grouping. Members of an association can use the collective mark if they meet the requirements set by the association. An example of a collective mark is the ‘CA’ used by the Institute of Chartered Accountants.

2.2.3 Difference between trademarks, certification marks and collective marks

The difference between trademarks on the one hand and collective and certification marks on the other is that trademarks identify and distinguish goods or services of an individual enterprise while collective and certification marks identify and distinguish goods or services of many enterprises. The main difference between collective marks and certification marks is membership. Collective marks are controlled by an association, as the collective, whereas certification marks are controlled by an individual or certifying body that sets the rules of certification. A certification mark distinguishes goods or services certified as being of a certain standard, a collective mark serves to distinguish goods or services of members of an association from those of non-members. Similarly, though, the use of both is generally governed by rules of use. An enterprise can therefore use its individual trademarks together with a collective or certification mark.

2.3 Key functions of trademarks

Generally, four main functions of trademarks can be identified: origin, distinguishing, guarantee and advertising. The origin function is steeped in the historical roots of

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61 The mark is owned by the Karoo Development Foundation, see https://karoofoundation.co.za/karoo-lamb/ accessed on 2 January 2019.
64 Ibid at 115. See also W Cornish, D Llewelyn and T Aplin Intellectual property: patents, copyrights, trade marks and allied rights 8 ed (2013) 644.
trademark. Traditionally, a mark was affixed to goods to identify the origin or ownership of goods, that is the physical source of the goods or the service provider. But with the development of international trade and wide distribution of goods and services around the world, a trademark may be affixed to goods further down the value chain far from the actual source of the goods. The function has therefore broadened to simply indicate the commercial source of goods and services.

The purpose of distinguishing the goods or services of one undertaking from those of another, is probably one of the more recognisable functions of trademark, it even forms the definition of what a trademark is, in the TRIPS Agreement. A trademark identifies the producer of goods or service provider and the trademark associated with a particular business authenticates that indeed the goods or services are produced or offered by that enterprise. It is typically easier for a consumer to distinguish among competing goods and services by identifying the trademark that the goods or services bear. Trademarks therefore enable product differentiation which can ‘trigger an association in consumers’ minds between origin and good value or quality.

It has even been advanced that the origin function is a means to an end; customers are more concerned about quality of the products. Trademarks create incentives for entities to produce quality products because of the name recognition for their products or services. Firstly, as they know they will not incur losses from imitation by other entities of their identity and goods, secondly, as they will be identified by the public by their name, sign, or logo etc. Entities have used their trademarks as badges of quality assurance to their consumers and as a result, the consumers also associate certain qualities with goods or services that bear a particular mark because of previous experience. This places an obligation on entities to keep delivering quality goods or services knowing they have created

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66 Ibid at 814.
67 Ibid at 815.
69 TRIPS Agreement, art. 15.1. The distinguishing function permeates the domestic legislation of many nations including South Africa and Zimbabwe which will be discussed in chapter 5.
70 Cornish, Llewelyn & Aplin op cit note 64 at 627.
71 Ibid.
72 Ibid at 644-645
73 Economides op cit note 57 at 527.
74 Cornish, Llewelyn & Aplin op cit note 64 at 627.
a reputation among their customers. Some scholars note that the quality function arose out of the origin function\textsuperscript{75}.

Trademarks are used to sell goods or services which bear the trademark, thus serving an advertising function. It has been noted that there is a trend of using marks associated with a product to appeal to customers and trademarks have ‘become the crux of the marketplace competition’\textsuperscript{76}. In using a trademark ‘the product and its particular attributes are brought to the attention of the consumer who is persuaded to purchase that product rather than a competing one’\textsuperscript{77}. As a marketing tool, trademarks enable an entity to invest in its products or services such that they appeal to the consumers. The trademark communicates the product or service to a consumer and consumer satisfaction can lead to more customers buying the product or using the service.

2.4 Defining geographical indications

There are at least three key terminologies that capture the essence of origin-linked products\textsuperscript{78}—indication of source, appellation of origin and geographical indication.

2.4.1 Indications of source

The Paris Convention, in art. 1 (2), lists indications of source as one of the objects of industrial property protection. Indications of source are also mentioned in art. 10; however, no definition is provided. The Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods\textsuperscript{79} (Madrid Agreement) gives some guidance in art. 1 (1) and provides that,

‘All goods bearing false or deceptive indication by which one of the countries to which this Agreement applies, or a place situated therein, is directly or indirectly indicated as being the country or place of origin shall be seized on importation into any of the said countries’.

\textsuperscript{75} van der Merwe et al op cit note 63 at 117.
\textsuperscript{76} Cornish, Llewelyn & Aplin op cit note 64 at 630.
\textsuperscript{77} van der Merwe et al op cit note 63 at 117.
\textsuperscript{78} Further discussion on the legal framework of protection is in chapter 3.
\textsuperscript{79} Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, of April 14, 1891 as last revised at Lisbon on October 31, 1958
That provision shows that an indication of source identifies the country or place of origin of goods. An indication of source relates to the geographical origin of a product and not any other kind of origin, for instance the entity that manufactures the product. It therefore provides information about where a product comes from for example ‘Made in South Africa’ or ‘Produce of Zimbabwe’. Article 1 (1) does not imply any specific attributes or quality of the product which bears an indication of source. Some scholars have also advanced that an indication of source may be words that directly identify the place of origin of a product or indirectly identify the place of origin through symbols associated with the place of origin.

2.4.2 Appellation of origin

Appellation of origin also appears in the Paris Convention in art. 1 (2) as one of the objects of industrial property protection. It is the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (Lisbon Agreement) that defines an appellation of origin. Article 2 (1) provides that appellation of origin, ‘means the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.’

From this definition, three aspects can be noted: first, an appellation of origin is a geographical name of a country, region, or locality; second, it designates geographical origin of a product; and third, the product has a quality or characteristics due essentially to the geographical origin. An example of a protected appellation of origin under the Lisbon Agreement is ‘Bordeaux’ for wine originating from that region in France.

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81 WIPO Geographical indications: historical background, nature of rights, existing systems for protection and obtaining effective protection in other countries (Document SCT/6/3 January 25, 2001) 5.
82 Rangnekar op cit note 80 at 15.
84 Rangnekar op cit note 80 at 16.
2.4.3 Geographical indications

The TRIPS Agreement in art. 22 (1) defines geographical indications as

‘indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin’.

The key element for a geographical indication is that there must be a link between the place of origin and the features of the product (quality, reputation, or other characteristics). It is not specified which kind of sign so it can be the name of a territory, words, combination thereof, image or symbol85.

2.4.4 Differences between indication of source, appellation of origin and geographical indication

The key distinction between an appellation of origin and a geographical indication is that an appellation of origin must be a geographical name of a country, region, or locality whereas a geographical indication simply identifies geographical origin and not necessarily the name of the territory and can be symbols, words, phrases, or geographical names86. Another difference is that an appellation of origin relates to quality and characteristics of product whereas a geographical indication relates to quality, characteristics and extends to reputation of a product87. This means that goods which only have a reputation but not specific quality due to geographic origin do not qualify for protection as appellation of origin under the Lisbon Agreement88. Some scholars have also noted that geographical origin, used in TRIPS, is a more general concept than geographical environment which is used in the Lisbon Agreement therefore providing more flexibility for countries89.

The difference between an indication of source and a geographical indication is that an indication of source does not imply any specific attributes, quality or characteristics of the product which bears the indication of source, it simply indicates the place of origin. Indications of source are considered broader as they cover any indication identifying directly or indirectly a place of origin without any specific attributes or quality of the product due to

85 Rangnekar op cit note 80 at 16.
87 Ibid.
88 WIPO op cit note 81 at 6.
89 Gervais op cit note 86 at 294.
its source\textsuperscript{90}. Indications of source, as the broadest term, include geographical indications and appellations of origin. Geographical indications as defined in TRIPS cover a similar but broader scope than appellations of origin, ‘all appellations of origin are geographical indications, but some geographical indications are not appellations of origin’\textsuperscript{91}.

2.5 Different approaches to protect geographical indications

TRIPS creates an obligation for countries to provide the legal means to protect geographical indications\textsuperscript{92}. However, it does not specify what type of legal means, thereby leaving it to countries to decide on the regime of protection in terms of their domestic laws. This has resulted in countries having different approaches to protect geographical indications and some regions have regional systems, the most recognised regional system being that of the European Union. The differences in approaches stem from the legal traditions of countries and within the context of historical and economic conditions\textsuperscript{93}. The diversity of implementation of geographical indications protection inhibits the establishment of a predictable multilateral system of rules\textsuperscript{94} but also creates the flexibility of approaches.

A survey conducted by the WTO\textsuperscript{95} identified three categories for protection of geographical indications: laws regulating business practices, trademarks law and special protection\textsuperscript{96}. In that review the WTO used the term indications of geographical origin (IGO) to cover appellations of origin, indications of source and geographical indications, as the broadest term to include all the protection available in Member states.

2.5.1 Laws regulating business practices

Laws regulating business practices do not specifically provide protection for geographical indications but prohibit business practices that constitute improper use of geographical indications, for example, laws preventing unfair competition or laws on

\textsuperscript{90} Gervais op cit note 86 at 295, Rangnekar op cit note 80 at 298 and WIPO op cit note 81 at 6.
\textsuperscript{91} WIPO op cit note 81 at 6.
\textsuperscript{92} TRIPS Agreement, art. 22 (2).
\textsuperscript{93} WIPO op cit note 81 at 6.
\textsuperscript{94} Rangnekar op cit note 80 at 18.
\textsuperscript{95} WTO Review under article 24.2 of the application of the provisions of the section of the TRIPS Agreement on geographical indications: summary of the responses to the checklist of questions (Document IP/C/W/253 April 4, 2001).
\textsuperscript{96} Ibid para 8.
consumer protection or trade descriptions\textsuperscript{97}. The focus of such laws is whether there has been a contravention of specific rules through the use or improper use of a geographical indication. Under these laws, it is not ‘whether the IGO as such is eligible for protection but whether a specific act involving the use of an IGO has contravened the general standards contained in the law relating to unfair competition, consumer protection, trade descriptions, food standards, etc’\textsuperscript{98}.

2.5.2 Trademarks Law

The WTO survey noted that some countries provide protection to geographical indications under domestic trademark laws and they do so, in general, in two categories; by preventing the registration and use of geographical indications as trademarks and/or; protecting geographical indications against unauthorised use\textsuperscript{99}. Concerning the first category, the registration of a trademark which consists or contains a geographical indication will be refused or invalidated if it is likely to confuse, deceive or mislead the public about the geographical origin or identity of the goods. The test applied here is the likelihood of confusion. However, in some instances trademark registration will be refused or invalidated if the trademark is exclusively a protected geographical indication.

Concerning the second category (protecting geographical indications against unauthorised use), under the trademark laws there may be provision for protecting geographical indications as collective marks, certification marks or guarantee marks thereby preventing unauthorised use by third parties. In such cases, the normal requirements, and rights for trademarks in general apply. The use of trademark laws to protect geographical indications shows a relationship between the two rights which will be discussed in the next chapter.

2.5.3 Special means of protection

There is also special protection through dedicated laws for the protection of geographical indications or provisions prescribing special protection of geographical

\textsuperscript{97} Ibid para 11.
\textsuperscript{98} Ibid.
\textsuperscript{99} Ibid para 12.
indications in other existing laws – for example, marketing, labelling or taxation\textsuperscript{100}. There are differences in defining geographical indication at country level and some countries provide geographical indication protection to products with specifically defined characteristics or methods of production or a prescribed list of products\textsuperscript{101}. Though this diversity of approaches makes it difficult to have harmonisation at the global level for the protection of geographical indications, it offers the flexibility to ‘explore alternative mechanisms’\textsuperscript{102}.

2.6 Key functions of geographical indications

Geographical indications serve to indicate the origin, quality, reputation, or other characteristics of goods. It reflects the link between the local environment and the product’s characteristics. That can be the specific geographical area, that is the climate, geology etc, and the human factors of the geographical area, that is local knowledge, skills etc\textsuperscript{103}. Scholars note that traditionally, the idea of geographical indication was related to the notion of terroir, a concept which emphasised the terrain or soil from where a product derived its distinctive qualities\textsuperscript{104}. Terroir, a French term derived from ‘terre’ (land) connotes that the land gives the product its quality\textsuperscript{105} and it is this territorial linkage between the product and the origin that forms the basis for protection\textsuperscript{106}. The protection of these origin-linked products was in part spurred by the need to prevent unfair competition where third parties would inaccurately use the geographical name of a product, and the system of protection that developed in France emphasised this nexus between the product and the land\textsuperscript{107}.

\textsuperscript{100} Ibid para 14.
\textsuperscript{101} Rangnekar op cit note 80 at 20.
\textsuperscript{102} Ibid at 21.
\textsuperscript{104} The discussion is beyond the scope of this research but for a detailed discussion see D Gangjee Relocating the law of geographical indications (2012) 49 and EW Ibele ‘The nature and function of geographical indications in law’ (2009) 10 (1) Estey Centre for Law and Economics in International Trade 36-49 at 39, DS Gangjee ‘From geography to history: geographical indications and the reputational link’ in I Calboli and WL Ng-Loy (eds) Geographical indications at the crossroads of trade, development, and culture in the Asia-Pacific (2017) 36-60.
\textsuperscript{106} I Calboli ‘In Territorio veritas: bringing geographical coherence in the definition of geographical indications of origin under TRIPS’ (2014) 6 WIPO Journal 57-67.
\textsuperscript{107} Gangjee op cit note 103 at 83.
There are differences in the means of protection, as discussed above in section 2.5, and much debate has revolved around the concept of *terroir*\(^{108}\) as the basis of protection. That said, the EU considers geographical indications beneficial for the rural economy, particularly in the diversification of agricultural production, and useful for consumer information\(^{109}\). The US generally emphasises the informational function of geographical indications, as indicators of source\(^{110}\), that they serve to indicate the geographical origin of the goods.

As a geographical indication links the origin and the product, it signals the quality of a product that customers can rely on\(^{111}\). Indicating the place of origin is a way to overcome the challenges of information asymmetry, that is the situation in an economic transaction where one party possess more information than the other, for instance between a seller and a buyer of a good\(^{112}\). Bienabe and Mari-Vivien also note that ‘what makes geographical indication a peculiar and valuable instrument socially is its capacity to embody the link to the origin on which the product reputation is built and to account for public considerations from both a quality and intellectual property perspective, while geographical indications retain private considerations in the sense that they are used by private stakeholders’\(^{113}\).

Besides the economic functions of geographical indications, there are also cultural and social elements as geographical indications often embed the cultural aspects and traditional methods that constitute the production of a good\(^{114}\). The traditional production practices and methods are grounded in the social and historical circumstances of the region of production.


\(^{110}\) See generally SD Goldberg ‘Who will raise the white flag? the battle between the United States and the European Union over the protection of geographical indications’ (2001) 22 *University of Pennsylvania Journal of International Law* 107-151 at 136-139.

\(^{111}\) C Bramley and E Bienabe ‘Developments and considerations around geographical indications in the developing world’ (2012) 2 (1) *Queen Mary Journal of Intellectual Property* 14-37 at 22, Jena & Grote op cit note 9 at 221 and Rangnekar op cit note 80 at 13.


\(^{113}\) Bienabe & Marie-Vivien op cit note 16 at 64.

As geographical indications are essentially collectively owned, Addor and Grazioli state that they ‘reward collective traditions while allowing for continued evolution; they emphasise the relationship between human effort, culture, land, resources and environment’\(^{115}\).

Geographical indications serve to preserve traditional practices, and, in this context, scholars note their potential use by indigenous communities, highlighting that they can be used as tools to preserve cultural identity, pursue biodiversity, and alleviate food insecurity\(^ {116}\).

### 2.7 The relationship between trademark and geographical indication

Though trademarks and geographical indications are distinct legal frameworks, they share primarily the same core function of identifying the origin of products. Consumers come to associate a certain quality with a product, choosing it over others, with the trademark or geographical indication serving a distinguishing function from other competing products. The dual function of identifying and distinguishing of the two rights is encapsulated in the TRIPS Agreement, the specific provisions being art. 15 (1) for trademark and art. 22 (1) for geographical indication. In addition, a secondary purpose of the IP rights is to prevent consumer deception and prevent unfair competition.

Trademarks and geographical indications indicate the source of goods, and as such the reasons for their protection can be understood by the rationales for trademark protection\(^{117}\). Reasons for geographical indication protection are protection against misleading use and protection against dilution\(^ {118}\). Protection against misleading use goes back to the need to protect consumers and producers; prevent the use of a geographical indication on products that do not originate from the geographical area and prevent unfair competition. This principle is found in the TRIPS Agreement art. 22 (2)(a) and in the Madrid Agreement art. 1(1). Protection against dilution is in the interests of producers to prevent ‘free riding’ on the

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\(^{117}\) Rangnekar op cit note 80 at 13. RL Okediji ‘The international intellectual property roots of geographical indications’ (2007) 82 (3) Chicago Kent Law Review 1329-1368 at 1363, argues that geographical indications ‘should be considered trademarks because in many respects they arguably are more credibly consistent with the classic policies underlying trademark protection’.

\(^{118}\) Rangnekar op cit note 80 at 13-4.
reputation of goods\textsuperscript{119}. Article 10\textit{bis} of the Paris Convention forbids such practices which are deemed unfair competition and the Lisbon Agreement in art. 3 prohibits the use of appellations of origin in translated form.

Unlike a trademark a geographical indication identifies the location from which a good originates and not the commercial producer as such. Some authors argue that a geographical indication ‘could constitute a trademark where such an indication serves to distinguish goods in the market’\textsuperscript{120}. A geographical indication blurs the divide by being descriptive and yet serving a distinguishing function\textsuperscript{121}. Geographical indications can also be protected as trademarks\textsuperscript{122}. This is because while, strictly speaking, a trademark identifies a commercial source of a product, a geographical indication identifies a product \textit{and} its geographical origin (which can be a commercial source). This raises possible conflicts between the two regimes.

One of the challenges advanced is that geographical indications lack distinctiveness as they are generally descriptive in nature where distinctiveness is a key requirement for a trademark to be registered\textsuperscript{123}. This challenge also stems from the distinction made between geographical origin versus commercial origin. Whereas commercial origin is considered distinctive geographical origin is not quite distinctive but descriptive. However, the comparative advantage of a geographical indication product arises from unique conditions such as climate, soil or production methods which is quite distinctive in themselves. This dichotomy places geographical indications as being lesser than trademarks. In the TRIPS Agreement, as compared to trademarks, geographical indications were redefined and constricted from the values attached to them and the uniqueness and methods and processes of production were divorced from social context\textsuperscript{124}.

Some authors have also argued that trademarks can function as geographical indications, as regards the function of identifying geographic origin, because ‘trademarks once exported from a particular social, economic, and political context, signify a much more elastic kind of “origin” than is narrowly conceived at national level’\textsuperscript{125}. The trademark, once in the importing country, can be associated with the culture of the country from which it

\textsuperscript{119} Ibid.
\textsuperscript{120} Okediji op cit note 117 at 1337.
\textsuperscript{122} See section 2.5.2 above.
\textsuperscript{123} Gangjee op cit note 121 at 1259.
\textsuperscript{124} Okediji op cit note 117 at 1350.
\textsuperscript{125} Ibid at 1359.
originates, hence consumers associate the trademark not only with the product but with the country from which it originates\textsuperscript{126}.

One of the significant differences in the function of trademarks and geographical indications relates to the exploitation of the rights that flow from registration. Whereas the proprietor of a trademark can licence the trademark, the ownership of a geographical indication usually rests with an institution or issuing authority and cannot be licensed. The collective that uses a geographical indication has a right to use but cannot license or sell the geographical indication as the use of the geographical indication is limited to the geographical origin of the products and producers in that specific region. The institution ensures producers maintain the standards and quality of the products.

2.7.1 Conflicts between trademarks and geographical indications

Given the relationship between trademarks and geographical indications, there is potential for conflict. This can arise in a situation where an application is made for registration of a geographical indication where a trademark is already registered, or where an application for a trademark is made where a geographical indication already exists. There are provisions in the TRIPS Agreement that address such scenarios. Article 22 (3) provides that registration of a trademark may be refused or invalidated where the trademark consists of a geographical indication with respect to goods not originating in the territory or if such use may mislead the public\textsuperscript{127}. This provision seems to establish a superiority of a protected geographical indication over a trademark. The same position is echoed in art. 23(2) which provides for the invalidation or refusal of a trademark for wines which consists of a geographical indication identifying wines or spirits. These provisions give precedence to a protected geographical indication where it conflicts with a trademark.

However, art. 24 (5) of TRIPS seems to try and strike a balance between an earlier trademark and a subsequent geographical indication. It limits the use of a geographical indication where there is a prior trademark. It provides that where an application for a trademark has been made or registered in good faith, or where trademark rights have been acquired through use in good faith before the implementation of TRIPS or the protection of

\textsuperscript{126} Ibid.

\textsuperscript{127} The same wording is in art. 23 (2) that relates specifically to wines but with no requirement to show that such use may be misleading.
the geographical indication in the country of origin, such a trademark shall not be prejudiced because it is identical or similar to a geographical indication. It effectively allows for the registration and use of a trademark identical or similar to a geographical indication.

This provision can be interpreted to be in tandem with the ‘first in time, first in right’ rule. The rule is about priority and exclusivity giving the first use of a trademark the exclusive right to use the trademark. This principle finds support from countries that do not have a considerable interest in protecting geographical indications for example the United States, which even entrenches this rule in its trade agreement with Australia. The EU, which has a tradition of protecting indications of origin, prefers an approach that priorities geographical indications or fosters coexistence.

Authors that oppose the first in time, first in right principle argue that it presupposes conflict between two trademarks (not geographical indications) and conflict within the same jurisdiction deriving from the concept of territoriality in trademark. Yet often the conflicts arise in transnational situations and between trademarks and geographical indications. There are several instances in which trademarks registered in the global north are derived from names that are essentially geographical indications in the south, for example the Basmati Rice case from India and Rooibos tea from South Africa. The principle also overlooks the considerations tied to protection of geographical indications, which unlike trademarks, go beyond the commercial value to national interests like preservation of heritage. It has been described as ‘a rigidly acontextual, ahistorical solution’.

Further, as a principle derived from trademark law, it may not be an appropriate criterion to resolve conflicts between trademarks and geographical indications because it

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128 The problematic issue on this article is on establishing good faith, which depending on the jurisdiction can be difficult. Gervais, op cit note 85, states that showing bad faith based entirely on circumstances can be difficult in jurisdiction that presume good faith.
129 Gervais op cit note 86 at 316.
130 Okediji op cit note 117 at 1333.
131 Gangjee op cit note 121 at 1264.
133 Gangjee op cit note 121 at 1267.
136 Gangjee op cit note 121 at 1268.
137 Ibid at 1269.
reinforces the presumption of trademark superiority. In a global village priority is not static but dependent on several factors and means different things at different times in different jurisdictions. The principle is territorial therefore it negates activities in another region. In addition, sometimes outwardly neutral doctrines may be used to push or hide a policy objective that may not necessarily advance the interest of external players. Therefore, applying the first in time, first in right to adjudicate conflicts between trademarks and geographical indications will most likely favour trademarks to prevail.

2.7.2 Coexistence: WTO Dispute – European Communities — Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs

The WTO Dispute Resolution Panel had an opportunity to address the relationship between trademarks and geographical indications in the dispute between the US and the EU (EC at the time). In that case, the US had complained that the EC Regulation 2081/92 on foodstuffs and agricultural products did not comply with some provisions of the TRIPS Agreement and that the Regulation failed to protect geographical indications and pre-existing trademarks identical or similar to geographical indications.

Article 14 (2) of the EC Regulation provided for the continued use of a trademark registered in good faith before the application for registration of a geographical indication, thus allowing concurrent existence of a prior registered trademark and a subsequent geographical indication. The US argued that the provision violated the exclusive rights of trademark owners under art. 16 (1) of the TRIPS Agreement as it allowed the registration of a geographical indication where there was a pre-existing trademark. It submitted that geographical indications are identical or similar signs as contemplated within TRIPS art. 16 (1) and therefore registration of a geographical indication would result in a likelihood of confusion of a prior trademark. The US also submitted that the Regulation was inconsistent

138 Okediji op cit note 117 at 1334.
139 Ibid at 1335.
142 Panel Report op cit note 140 at 129.
143 Ibid at 115.
with TRIPS art. 24 (5) as it did not provide priority of protection to pre-existing trademarks similar or identical to a subsequent geographical indication\textsuperscript{144}.

The EU relied on TRIPS art. 24 (5) to argue that Members could not prejudice the validity or registrability of an earlier trademark (grandfathered trademark), but Members could limit other rights to a trademark, for example the right to prevent others from using a similar sign\textsuperscript{145}. Basically, concurrent use of a trademark and a geographical indication. It further submitted that the provision in the Regulation was a limited exception within the meaning of art. 17 of TRIPS which gives Members the opportunity to provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms subject to the legitimate interests of the trademark owner and of third parties\textsuperscript{146}.

In determining that the EC provision constituted a limited exception to rights conferred by trademarks within the ambit of art. 17 of TRIPS, the Panel noted that such an exception may limit; the right to prevent use by third parties, the right to prevent use of identical or similar signs or goods or services and the right to prevent the likelihood of confusion\textsuperscript{147}. However, such exception should be limited in its application; it must be ‘narrow and permit only a small diminution of rights’\textsuperscript{148}. The exception must be limited to the rights conferred by a trademark and in this instance limiting the right to prevent use that would result in a likelihood of confusion. Further, the exception should be in tandem with the proviso to art. 17 which states that such exceptions should consider the legitimate interests of the trademark owner and that of third parties.

The example given of such a limited exception is fair use of descriptive terms\textsuperscript{149} and the Panel stated that ‘fair use of descriptive terms is inherently limited in terms of the sign which may be used and the degree of likelihood of confusion which may result from its use, as a purely descriptive term on its own it is not distinctive and is not protectable as a trademark’\textsuperscript{150}. This leaves room that such a sign can be a geographical indication, essentially a geographical indication can be an exception to a trademark right\textsuperscript{151}. This can also find support by the findings of the Panel that art. 17 provides scope for certain terms to be

\textsuperscript{144} Ibid at 129.
\textsuperscript{145} Ibid at 130.
\textsuperscript{146} Ibid at 142.
\textsuperscript{147} Ibid at 144.
\textsuperscript{148} Ibid at 143.
\textsuperscript{149} TRIPS Agreement, art. 17.
\textsuperscript{150} Panel Report op cit note 140 at 144.
\textsuperscript{151} Evans & Blakeney op cit note 132 at 601.
available for use under certain conditions and geographical indications have a descriptive function such that users of the geographical indication have legitimate interests, as third parties, within the context of art. 17. It can be implied from the Panel’s assessment that coexistence of an earlier trademark and a subsequent geographical indication is a possibility, where the geographical indication is a limited exception to the rights of trademark.

The Panel was careful in using the term coexistence and defined the use of the term in the dispute to mean a situation in which a trademark and a geographical indication can be concurrently used even though use of either would infringe the rights conferred by the other. The EC Regulation in art. 14 (2) permitted the continued use of a trademark, despite the registration of a geographical indication. The implication being that a later geographical indication registration can be valid where there are no grounds for invalidity or revocation of the earlier trademark. This essentially curtailed the right of a trademark owner to prevent use of a sign that could result in a likelihood of confusion. It enabled the coexistence of a prior registered trademark and a later geographical indication registration. Indeed, before this decision, there were some EU geographical indications registered as trademarks in the US, some examples include ‘Budweiser’, ‘Parmesan’ and ‘Chablis’.

Some authors suggested that coexistence could give the right to use while curtailing the ability to exclusively use. However, the Panel noted that the purpose of art. 24 (5) is to allow or maintain the registration of a trademark and the right to use acquired through use in good faith, where the trademark is identical or similar to a geographical indication. It further noted that art. 24 (5) does not state any limitation on the exclusive rights of trademark owners to prevent confusing uses of a sign where such a sign is used as a geographical

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152 Panel Report op cit note 140 at 149-150.
153 Ibid at 115.
154 In the EU coexistence of a trademark and a geographical indication is established, to the extent that use is in accordance with honest practice in industrial or commercial matters and this position was stated by the ECJ in Gerolsteiner Brunnen GmbH & Co. v Putsch GmbH Case C-100/02.
157 Gangjee op cit note 121 at 1279.
158 Panel Report op cit note 140 at 137.
indication\textsuperscript{159} and therefore ‘it is inappropriate to imply in art. 24 (5) either the right to prevent confusing uses or a \textit{limitation on the right to prevent confusing uses}\textsuperscript{160}.

There are significant arguments to how trademarks and geographical indications relate, and the arguments will likely remain topical. Some issues can, however, be resolved at the domestic level depending on the approaches nations take to trademark and geographical indication protection.

2.8 Potential uses and drawbacks to using trademarks and geographical indications for small scale producers

Given that the focus of this thesis is utilising trademarks and geographical indications for SMEs and small scale farming, it is important to reflect here the potential uses and challenges of the legal protection schemes for these sectors. Small scale producers in Africa face several constraints that limit their growth\textsuperscript{161}. Some of these arise from their size and isolation\textsuperscript{162}. In that context, collective ownership strategies can be a way to overcome some of the limitations. Further discussion on the characteristics and challenges faced by small scale producers, with some country specific context, is contained in chapter 6. This section briefly highlights instances where the legal protection schemes could be useful and the potential drawbacks.

2.8.1 Market access and marketing

An area where distinguishing marks could potentially be useful for small scale producers is around market access and marketing. This is because among the identified challenges to the growth of small scale producers, include market access and marketing\textsuperscript{163}. Marketing related problems and limitations are a key challenge for SMEs\textsuperscript{164}. SMEs face greater competition from foreign businesses and with limited marketing experience, poor

\begin{itemize}
  \item \textsuperscript{159} Ibid.
  \item \textsuperscript{160} Ibid.
  \item \textsuperscript{161} Muriithi op cite 21 and Kongolo op cit note 24.
  \item \textsuperscript{162} AO Ayandibu and J Houghton ‘The role of small and medium scale enterprise in local economic development (LED)’ (2017) 11 (2) \textit{Journal of Business and Retail Management Research} 133-139.
  \item \textsuperscript{163} Cant & Wid op cit note 30, L Louw, D Jordaan, L Ndanga and JF Kirsten ‘Alternative marketing options for small-scale farmers in the wake of changing agri-food supply chains in South Africa’ (2008) 47 (3) \textit{Agrekon} 287-308.
  \item \textsuperscript{164} van Scheers op cit note 30.
\end{itemize}
quality control and production standardisation it becomes challenging to compete\textsuperscript{165}. Though some well performing SMEs include strategic marketing planning in their business strategy, many do not engage in this process because of human and financial resource constraints\textsuperscript{166}.

With small scale farmers, where they can sell beyond their borders, changes in marketing of agricultural products, environmental concerns and preferences of environmentally conscious consumers have made their participation complicated\textsuperscript{167}. Scholars highlight obstacles to market integration, to include quality standards, traceability, and supply consistency\textsuperscript{168}.

Distinguishing marks can therefore be a market access too\textsuperscript{169}. Differentiation of products by key features, for instance, production processes or geographical origin is intended to distinguish competing products on the market. In international trade the use of fair-trade schemes and environmental labelling methods have been used as strategies for product differentiation\textsuperscript{170}. Trademarks and geographical indications can equally be useful tools for product differentiation\textsuperscript{171}, and even a more appropriate strategy than fair trade schemes\textsuperscript{172}. Some research has shown that in some instances individual trademarks for SMEs may not be as successful as collective trademarks for associations of producers\textsuperscript{173}.

Geographical indications place emphasis on the local, that is, the value of the land and its unique attributes, which are the source of the unique characteristics of a product. In this

\textsuperscript{165} Abor & Quartey op cit note 19 at 224.
\textsuperscript{166} van Scheers & Makitha op cit note 30.
\textsuperscript{169} Nyakotyo op cit note 17 at 194.
\textsuperscript{170} TW Dagne ‘Place-based intellectual property strategies for traditional and local agricultural products: acting locally to participate globally in a rights-based approach’ (2012) 17 Drake Journal of Agricultural Law 565-95 at 566.
\textsuperscript{171} Bramley & Bienabe op cit note 111 at 23, highlight that the distinguishing function of a geographical indications can improve market access through ‘territorially differentiated niche markets’ where the geographical indication product is disconnected from the commodity markets.
\textsuperscript{172} Dagne op cit note 170 at 578-583, highlights that the key challenges in participating in fair trade and environmental labelling schemes, include the foreign standards and system of certification that require small scale producers to rely on financial assistance from donor organisations. In discussing the benefits of geographical indications over labelling strategies (pages 589-592), Dagne argues that geographical indications offer more control to producers when compared to labelling schemes. This is because as IP rights, they give ownership to the holders and the right to exclude others from using and enable producers to have an advantage in negotiating prices.
\textsuperscript{173} For an in-depth study see A Sardjono, BA Prastyo and DG Larasati ‘Indonesian experience in dealing with trademark law: case study of Batik SMEs’ (2013) 3 Indonesia Law Review 183-204.
way, they play a role in fostering and developing rural communities. It has been noted that several origin-linked products are produced by small scale producers. Scholars note that geographical indications are ‘pro-poor’ because they generally draw upon agriculture products produced by rural communities and any trade benefits would accrue to such communities. Using distinguishing marks can therefore be strategy to capture market access and at the same time improve rural development.

The economic impacts of geographical indications are well documented, particularly concerning European countries. Various studies highlight the premium prices of geographical indication products in the EU for instance cheese, olive oil and wine. The literature from developing country context is also emerging and there are indications that there may be some benefit. For example, Chabrol et al, on the first three OAPI geographical indications, found that the selling price for Oku White Honey had increased in the five years since registration, so had the production and price of Penja pepper and exports of Ziama Macenta coffee. It may be possible to consider distinguishing marks as a tool for small scale producers in Africa.

2.8.2 Potential drawbacks

It requires effort and significant resources to set up and maintain a geographical indication system – an important consideration in the African context where obtaining and

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176 Jena & Grote op cit note 9 at 222.  
178 See for example L Stuart and CE Smith ‘Quality expectations, reputation, and price’1998 64 (3) Southern Economic Journal 628–647, Moschini et al op cit note 177.  
179 K Schroeder and A Guevara ‘The case of Antigua coffee, Guatemala’ In Giovannucci et al op cit note 8 at 148.  
180 A study on the economic effects of geographical indications, outlined the legal means of protection for coffees from Colombia, Mexico, Jamaica and Ethiopia in the US and EU markets and looked at the online sales of exported single origin coffee in the US. The coffee attracted higher prices, at least three times higher than the average retail price for roasted coffee, with Jamaica Blue Mountain coffee selling at the highest price of $43.44 per pound, see Teuber op cit note 10 at 285.  
181 Chabrol et al op cit note 12.  
allocating such resources may be a challenge. The cost of establishing a geographical indication has been demonstrated in the literature\(^\text{183}\), though it has been suggested that a strategy to reduce the cost of establishing a geographical indication could be linking with similar or related industries for example promoting tourism in the production areas\(^\text{184}\). The costs that may be incurred by some producers who would want to benefit, may include adapting their facilities to ensure compliance with the production methods.

Crucial to the success of a differentiation strategy is quality control and this can be a challenge where quality control systems are not efficient\(^\text{185}\). In Africa, the institutional framework to ensure quality guarantee is not always efficient and issues like corruption can weaken the quality control mechanisms\(^\text{186}\). The potential for non-compliance with standards thus presents a challenge to using certification marks and geographical indications.

Collective action is identified as a crucial element for success of a geographical indication\(^\text{187}\) as it involves different players in the product value chain\(^\text{188}\). Where there has been no experience of collective action or where challenges to collective action exist, it would be difficult. Individuals could disagree on how the association should be structured especially with products that involve cooperation of different sectors\(^\text{189}\).

An example given is the initial efforts to create the geographical indication for Karoo lamb in South Africa, where there previously had been limited producer organisations or


\(^\text{185}\) Lack of efficient quality controls has been observed as one of the main challenges for geographical indications in developing countries. See D Marie-Vivien and E Bienabe ‘The multifaceted role of the state in the protection of geographical indications: a worldwide review’ (2017) 98 World Development 1-11 at 6, B Pick Empirical analysis of geographical indications in France and Vietnam: opportunities and constraints (unpublished PhD thesis, London School of Economics and Political Science, 2018) 105.

\(^\text{186}\) Bramley & Bienabe op cit note 111 at 27.


\(^\text{188}\) XF Quinones-Ruiz, M Penker, G Belletti, A Marrescotti, S Scaramuzzi, E Barzini, M Pircher, F Leitgeb and LF Samper-Gartner ‘Insights into the black box of collective efforts for the registration of Geographical Indications’ (2016) 57 Land Use Policy 103-116 at 114 state that ‘context-specific institutional environment, the degree of involvement of supply chain actors, group size and heterogeneity can influence the merits of GI-registration processes and shape the allocation of associated efforts.’

\(^\text{189}\) A Tregeara et al op cit note 174 at 14.
collective action due to the size of the production region\textsuperscript{190}. Sautier et al recognise that community and the ethos of collaboration is central in developing countries, which can be an advantageous factor in developing geographical indication\textsuperscript{191}. However, they note that whereas implementation in Europe was the result of mobilisation by producers and thus essentially a bottom-up approach, in many developing countries geographical indications were the result of adaptation to the TRIPS Agreement, hence a top-down approach \textsuperscript{192}. It therefore may be complicated to implement as it becomes a top-down approach.

\subsection*{2.9 Conclusion}

Though there are key differences among trademark, certification, and collective mark, they ultimately serve to identify and distinguish goods and services, whether it is the goods and services of individual enterprises or producer collectives. Product differentiation enables customers to associate certain marks with the origin, value or quality of goods or services. As advertising tools, they can enable enterprises to appeal to customers. With origin-linked goods though TRIPS creates an obligation for countries to provide the legal means to protect them it does not specify what type of legal means, so countries decide in terms of the national law the regime of protection. Though this poses a challenge to the establishment of a predictable multilateral system, it gives a country the flexibility to decide what regime would better serve its’ objectives.

Trademarks and geographical indications are distinct legal regimes but share primarily the same core function of identifying the origin of products and this raises possible conflicts between the two regimes. The dispute between the US and the EU at the WTO offered insight into how such conflicts could be resolved, though the arguments advanced by the parties showed the differences between those that favour the trademark regime and prefer the right of priority to apply, and those that favour geographical indications and prefer coexistence. The case highlights the entrenched positions around trademark and geographical indication protection. These positions have persisted and the next chapter which discusses the international legal framework for protection, highlights some of these issues.

\textsuperscript{190} E Bienabe, C Bramley, J Kirsten and D Troskie ‘Linking farmers to markets through valorisation of local resources: the case for intellectual property rights of indigenous resources’ available at \url{https://ageconsearch.umn.edu/record/206511/}, accessed on 11 September 2019.
\textsuperscript{191} D Sautier, E Bienabe and C Cerdan ‘Geographical indications in developing countries’ In E Barham and B Sylvander (eds) \textit{Labels of origin for food: local development, global recognition} (2011) 138-153 at 141.
\textsuperscript{192}Ibid at 142.
The two legal regimes could, however, serve to advance the economic development goals of developing countries when implemented for small scale producers that face marketing related challenges. The possibility of collective strategies for differentiation of goods could be transformative, particularly due to the emphasis on the features of the goods, production processes or geographical origin. Though adopting such legal protection strategies could be hampered by costs in adapting facilities and production methods to comply with the standards and weak quality control mechanisms, it may be possible to overcome limitations with proper implementation.
Chapter 3 - The International Legal Framework on Protection of Trademarks and Geographical Indications

3.1 Introduction

This chapter sets out the international legal framework on protection of trademarks and geographical indications protection - beginning with the earliest treaty on industrial property, the Paris Convention for the Protection of Industrial Property\(^\text{193}\) (Paris Convention) to the current regime under the Agreement on Trade-Related Aspects of Intellectual Property Rights\(^\text{194}\) (TRIPS). While the scope of trademark and geographical indication protection is governed by domestic legislation, the international treaties seek to harmonise the legal regimes by setting the minimum standards that national laws ought to comply with to ensure protection\(^\text{195}\). About 49 African countries\(^\text{196}\) adhere to the Paris Convention administered by WIPO including the study countries Zimbabwe\(^\text{197}\) and South Africa\(^\text{198}\). There are 44 African countries\(^\text{199}\) that are members of the WTO which administers the TRIPS Agreement, including the study countries\(^\text{200}\). As signatories to the international treaties, Zimbabwe and South Africa must ensure their national laws comply with the minimum standards set out by the international treaties and this chapter lays the context for the discussion of the African regional legal frameworks in the next chapter and the national laws of the study countries which follows in chapter 5.

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\(^{193}\) Paris Convention for the Protection of Industrial Property of March 20, 1883, as last amended on September 28, 1979.

\(^{194}\) Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994.


\(^{197}\) As a colony and part of the Federation of Rhodesia and Nyasaland it acceded in 1957. Upon independence, the Republic of Zimbabwe deposited the declaration of succession on 29 September 1981.

\(^{198}\) Acceded on 20 October 1947.

\(^{199}\) Data sourced from the WTO website available at https://www.wto.org/english/thewto_e/whatis_e/hist_e/org6_e.htm, accessed on 14 December 2020. There are 9 African countries which are observers – Algeria, Comoros, Equatorial Guinea, Ethiopia, Libya, Sao Tome and Principe, Somalia, Sudan, and South Sudan.

\(^{200}\) The TRIPS Agreement is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, Zimbabwe joined the WTO on 5 March 1995 and South Africa on 1 January 1995.
3.2 International regulation of trademarks

3.2.1 Paris Convention for the Protection of Industrial Property (1883)\textsuperscript{201}

The Paris Convention (1883) is the first international treaty on industrial property. It introduced a minimum level of substantive industrial property protection, the right of priority and the national treatment principle\textsuperscript{202}. In terms of the Paris Convention, industrial property is ‘understood in the broadest sense’, thus applying not only to industry and commerce but to agriculture, extractive industries, manufactured or natural products\textsuperscript{203}. Among other industrial property rights, it addresses trademarks\textsuperscript{204}. Though trademarks are largely territorial, governed by domestic legislation and administrative institutions\textsuperscript{205}, the Paris Convention sets out common rules mostly contained in articles 5C (1), (2) and (3). The national treatment principle, which states that nationals of countries that are members of the Paris Convention shall enjoy the same rights of protection for their industrial property as are enjoyed by the nationals of a member of the Paris Convention is laid down in art. 2. The Paris Convention has remained a key agreement on the international regulation of intellectual property\textsuperscript{206} and is incorporated into some provisions of the TRIPS Agreement\textsuperscript{207}.

3.2.1.1 Trademark use and assignment

The Paris Convention states that trademarks are available for all types of goods and services regardless of the nature of the goods to which a trademark is to be applied\textsuperscript{208}. Though protection for service marks is also addressed, countries are not required to provide for the registration of service marks\textsuperscript{209}.

\begin{itemize}
  \item \textsuperscript{201} Paris Convention for the Protection of Industrial Property of March 20, 1883 and as last amended on September 28, 1979.
  \item \textsuperscript{203} Paris Convention, art. 1 (3).
  \item \textsuperscript{204} Paris Convention, art. 1 (2).
  \item \textsuperscript{205} Dinwoodie op cit note 134 at 901.
  \item \textsuperscript{206} Currently there are 177 Contracting Parties to the Paris Convention, and of these 49 are African countries. Data retrieved from WIPO website available at https://wipolex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=C&code=AL L&treaty_id=2 accessed on 16 December 2020.
  \item \textsuperscript{207} TRIPS Agreement, art. 2.
  \item \textsuperscript{208} Paris Convention, art. 7.
  \item \textsuperscript{209} Paris Convention, art. 6sexies.
\end{itemize}
The use requirement for trademark is found in art. 5C (1). It provides that where use is compulsory, the trademark may be cancelled for failure to use after a reasonable period and the owner of the mark does not justify the failure to use the mark. As use of a trademark is governed by domestic legislation, this provision leaves room for national legislation to regulate the use requirement and in addition, countries can determine what constitutes a ‘reasonable period’. However, use of the trademark on the goods is not required as a precondition for protection\textsuperscript{210}.

Use of a mark in a form differing in elements which do not alter the distinctive character of the mark as it was when registered in one of the countries of the Union shall not entail invalidation of the registration nor diminish the protection granted to the mark\textsuperscript{211}. This provision allows for ‘unessential differences between the form of the mark as it is registered and the form in which it is used for example in cases of adaptation or translation of certain elements\textsuperscript{212}.

The Paris Convention also deals with concurrent use by co-proprietors of the same mark on identical or similar goods in art. 5C (3). Such concurrent use shall not prevent nor diminish the protection granted to the mark in any other country of the Union, provided such use does not mislead the public nor is contrary to the public interest. This provision does not deal with a situation of concurrent use of a trademark by entities which are not co-proprietors of the mark.

Though assignment of trademarks is a matter governed by domestic legislation, where assignment is only valid together with the transfer of business or goodwill, the Paris Convention states that it shall suffice for the recognition of validity of assignment that the portion of the business or goodwill located in that country be transferred to the assignee together with the exclusive right to manufacture or sell the goods bearing the assigned trademark\textsuperscript{213}. It is therefore the prerogative of countries to require simultaneous transfer of the business or goodwill on assignment or allow assignment without the transfer of the business or goodwill. There is also no obligation on countries to regard as valid the assignment of a mark where use of the mark by the assignee would mislead the public as to the origin, nature or essential qualities of the goods bearing the mark\textsuperscript{214}.

\textsuperscript{210} Paris Convention, art. 5 D.
\textsuperscript{211} Paris Convention, art. 5C (2).
\textsuperscript{212} WIPO op cit note 62 at 250.
\textsuperscript{213} Paris Convention, art. 6\textsuperscript{quater} (1).
\textsuperscript{214} Paris Convention, art. 6\textsuperscript{quater} (2).
3.2.1.2 Independence of marks and the right of priority

Perhaps another key feature of the Paris Convention is the independence of trademarks as provided in art. 6 (2). Though it does not set out the conditions for filing and registration of trademarks which is the domain of national legislation, art. 6 (2) states that registration may not be refused nor invalidated on the ground that filing, registration or renewal has not been effected in the country of origin. The effect of this provision is that registration in the country of origin is not a prerequisite for registration in any other country of the Union. Registration and maintenance of a trademark in any other country of the Union is not dependent on application, registration or renewal in the country of origin.

Article 6 (3) states that a mark registered in a country of the Union shall be regarded as independent of marks registered in other countries of the Union, including the country of origin. This means that should a mark be invalidated or cancelled in the country of origin, that does not affect its’ validity in the other countries. For a trademark already registered in the country of origin, filing and registration in another country is accepted subject to the production of a certificate of registration from the country of origin\(^\text{215}\).

The exception to the independence of marks is art.6quinquies, which provides for reservations to the registration of a mark in other countries, where a mark has been registered in the country of origin. In such instances, the applicant for the registration of a trademark must have his business in a country that is a member of the Paris Convention or be domiciled in such a country or be a national of such a country\(^\text{216}\). Trademarks can be denied registration or invalidated where:

1. they infringe on the rights of third parties
2. they are not distinctive or are only descriptive of the kind, quality purpose, value, place of origin, time of production or are customary in trade
3. contrary to morality or public order and of such a nature as to deceive the public\(^\text{217}\)

Though the rights of third parties are not enumerated, these can include rights in trademarks already protected in the particular country or other rights i.e., trade name\(^\text{218}\).

\(^{215}\) Paris Convention, art. 6quinquies A (1).
\(^{216}\) Paris Convention, art. 6quinquies A (2).
\(^{217}\) Paris Convention, art. 6quinquies B.
\(^{218}\) WIPO op cit note 62 at 254.
The Paris Convention also provides for the right of priority in art. 4 A (1). It provides that where one has filed an application for registration of a trademark in one of the countries of the Union, he shall enjoy a right of priority for the purpose of filing in other member countries. The advantage of this provision is that an applicant is not required to make simultaneous applications in all the countries where protection is sought. The period of priority for trademarks is six months\(^{219}\), therefore, an applicant has time to decide in which countries to apply for protection and organise the applications for registration in those countries\(^{220}\).

As the first application is the basis for claiming priority, any subsequent application shall be treated as though it had been filed at the same time as the first application\(^{221}\). The effect of this is that any acts done before the expiry of six months – the priority period, shall not invalidate the rights which are the subject of the later application\(^{222}\). Such acts would include another filing, publication, or use of the mark. Though rights acquired by third parties before the date of the first application that serves as the basis for the right of priority are reserved in terms of the domestic legislation of each member of the Union\(^{223}\).

3.2.1.3 Protection of well-known marks

One of the key provisions of the Paris Convention is the protection of well-known marks, which is an exception to the principle of territoriality of trademarks\(^{224}\). In art. 6bis (1) it states that members may refuse, cancel, or prohibit the use of a trademark which is a reproduction or imitation or translation of a well-known trademark where there is a likelihood of confusion and such use of the trademark is on identical or similar goods. Well-known marks are protected not based on registration but merely because of its’ reputation, the justification being it has acquired goodwill and a reputation\(^{225}\). Besides such use potentially

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\(^{219}\) Paris Convention Art. 4C (1).
\(^{220}\) WIPO op cit note 62 at 244.
\(^{221}\) Paris Convention, art. 4B.
\(^{222}\) Paris Convention, art. 4B.
\(^{223}\) Paris Convention, art. 4B.
\(^{224}\) Dinwoodie op cit note 134 at 901.
\(^{225}\) WIPO op cit note 62 at 252. The criteria of what constitutes a well-known mark differs from country to country and it essentially depends on the specific factual circumstances, see F Mostert ‘The Protection of Well-Known Marks under International Intellectual Property Law’ In I Calboli and JC Ginsburg (eds) Cambridge Handbook of International and Comparative Trademark Law (2020) 84-102 at 85. WIPO has prepared a guide to assist Member States to assess whether a mark is well-known, the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks which were adopted at the 34th Session of the WIPO General Assemblies.
constituting unfair competition it can create confusion to the public who could create an association between the well-known mark and the conflicting trademark.

The Paris Convention does not define a well-known mark, whether a mark is well known is a determination to be made in the particular country by the competent authority. The wording of the provision seems to indicate that the protection afforded is limited to goods only and not services. Protection is also not limited to the ‘totality’ of the mark itself but also where an essential part of the mark is imitated or reproduced such as to cause confusion. For instance, where a trademark is constituted of a logo and words, where one uses the logo on its own without the words that would be an imitation of an essential part of the trademark.

Article 6bis (1) provides three options when dealing with a conflicting trademark: refusal of the registration, cancel the registration and prohibit the use of the conflicting trademark. Where an identical or similar mark to the well-known mark is used, there is a period of five years from the date of registration to allow for the request for cancellation. Countries are free to determine the period within which prohibition of use must be requested and no time limit for requesting cancellation or prohibition of use of a mark registered or used in bad faith. It would seem the assumption is that there can be instances of an innocent use of the mark and a bad faith use of the mark.

3.2.1.4 Protection of collective marks

The Paris Convention, unlike TRIPS, provides for the protection of collective marks. Though there is no definition of what a collective mark is, collective marks belong to groupings or associations whether or not the association is constituted as an industrial or commercial entity. This provision is broad enough to cover associations whose members, which are different enterprises, share common characteristics, for instance the mode of manufacture or materials, but the association itself is not a registered commercial entity.

226 Paris Convention, art. 6bis (1). Some countries did not protect well-known marks, for example prior to 1995 South Africa did not provide protection to well-known marks. Dean (1998) states that when South Africa’s current trademark law was drafted in 1993 the intention was to bring it in line with developments elsewhere in the world, see OH Dean ‘Quo vadis South African trade marks?’ (1998) 10 South African Mercantile Law Journal 89-110 at 91. See also A Adewopo ‘Trade mark law developments in Sub-Saharan Africa: issues and perspectives’ (2001) 6 International Intellectual Property Law and Policy 18-34 at 25.
227 Paris Convention, art. 6bis (1).
228 Paris Convention, art. 6bis (2).
229 Paris Convention, art. 6bis (2).
230 Paris Convention, art. 6bis (3).
231 Paris Convention, art. 7bis (1).
There is a proviso though that such a collective mark should not be contrary to the law of the country of origin, and it is up to countries to determine the conditions for protection. It also does not matter whether the association is not established in the country where protection is sought or is not established according to the law of the country where such protection is sought.

3.2.1.5 Unfair competition

The repression of unfair competition is one of the aims of the protection of industrial property under the Paris Convention. It defines unfair competition as ‘any act of competition contrary to honest practices in industrial or commercial matters’ and prohibits the following activities:

1. acts that create confusion by any means whatever with the entity, goods, or the industrial or commercial activities, of a competitor;
2. false allegations in trade that discredit an entity, its’ goods, or the industrial or commercial activities, of a competitor;
3. indications or allegations in trade which mislead the public as to the nature, manufacturing process, characteristics, suitability, or the quantity of goods.

In the context of trademarks activities that create confusion such as use of identical or similar marks or any other activities i.e., packaging, presentation or style used on the products bearing the trademark would constitute unfair competition. Article 10bis is given practical effect by art. 10ter which mandates countries to provide appropriate legal remedies to repress act of unfair competition.

Countries are to provide measures for non-state actors; associations, producers, industrialists, to take legal action before the courts or administrative authorities to repress

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232 Paris Convention, art. 7bis (2).
233 Paris Convention, art. 7bis (3).
234 Paris Convention, art. 1(2).
235 Paris Convention, art. 10bis (2).
236 Paris Convention, art. 10bis (3).
237 WIPO op cit note 62 at 259.
238 Wadlow (2004) notes that neither art.10bis nor 10ter requires that there be civil action for injunctive relief, simply that the measures should offer ‘effective protection’, ‘prohibition’ or ‘legal remedies’. See C Wadlow The law of passing off: unfair competition by misrepresentation 4 ed (2011) 59. It is therefore the prerogative of countries to decide which measures would repress the acts of unfair competition.
such unfair competition and provided the laws of the country provide for such action by associations\textsuperscript{239}. The Paris Convention also provides for the seizure of goods unlawfully bearing a mark and such seizure can be on importation into a country where the mark is protected or in a country where the unlawful fixation has occurred\textsuperscript{240}. There is however no obligation to seize goods in transit\textsuperscript{241}. The seizure can be requested by any interested party (natural or legal), public prosecutor or competent authority\textsuperscript{242}.

3.2.2 The Madrid Agreement Concerning the International Registration of Marks (1891)\textsuperscript{243}

Though the Paris Convention introduced key guidelines on the protection of industrial property, it had no provision for international application for registration in different countries. The Madrid Agreement\textsuperscript{244} and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks\textsuperscript{245} made international application possible. Referred to as the Madrid System, it allows a trademark holder to file an application for international registration with the International Bureau of WIPO\textsuperscript{246}.

The international registration applies only to member countries of the Madrid Agreement – so an applicant for international registration of the trademark must have business in the member country, be domiciled or be a national in the country in which they have a registered trademark\textsuperscript{247}. International application can only be made when a mark has already been registered in the country of origin\textsuperscript{248}, international registration is therefore dependent on national registration. The national office in the country of origin must certify that the particulars appearing on the international application correspond to those in the

\textsuperscript{239} Paris Convention, art. 10ter (2).
\textsuperscript{240} Paris Convention, art. 9(1) and (2).
\textsuperscript{241} Paris Convention, art. 9(4).
\textsuperscript{242} Paris Convention, art. 9(3).
\textsuperscript{243} Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as last amended on September 28, 1979.
\textsuperscript{244} There are 107 parties to the Madrid Agreement and the Protocol, data retrieved from the WIPO website available at https://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf, accessed on 19 December 2020. 21 African countries are party to the Madrid Agreement and 11 are party to the Protocol, including Zimbabwe which joined on 11 March 2015. South Africa is not party to the Madrid Agreement or the Protocol.
\textsuperscript{245} Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks June 27, 1989, as last amended on November 12, 2007.
\textsuperscript{246} Madrid Agreement, art. 1 (2). Dinwoodie op cit note 134 at 946, notes that under the Madrid System an applicant ‘obtains a bundle of national trademark rights, thus effecting a departure from the national model of administration while preserving the territoriality of rights and norms.’
\textsuperscript{247} Madrid Agreement, art. 1 (3).
\textsuperscript{248} Madrid Agreement, art. 3 (1).
The mark is the same as that for which international registration is sought. Application for international registration must be in the prescribed form and indicate the goods or services for which protection is sought and if possible, the class or classes of the goods or services. The applicant designates the country or countries in which they want their trademark to be registered and the International Bureau forwards the application to trademark registries of the designated countries. The International Bureau does a formal examination, while the designated national or regional offices undertakes the substantive examination.

Registration is automatic unless there is an objection raised in a designated country and the International Bureau of WIPO publishes the mark in its Gazette of International Marks. The effect of international registration is in two parts; first the mark is protected in the designated countries as though it had been filed directly in those countries; second the mark enjoys the right of priority as provided for in art 4 of the Paris Convention without the need to comply with the declaration formalities in section D of the article. Registration of a mark is valid for 20 years with the possibility for renewal for further 20 year periods.

Where there is refusal by a national office, it can only be on the grounds outlined in the Paris Convention and notice of such refusal must be given to the International Bureau within the time period prescribed in the domestic law of the nation refusing registration or within one year of date of international registration. In the event of a refusal, the application for registration is determined in terms of the domestic trademark registration

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249 Madrid Agreement, art. 3 (1).
250 Madrid Agreement, art. 3 (1) and (2).
252 Madrid Agreement, art. 3 (4).
254 Madrid Agreement, art. 4 (1).
255 Madrid Agreement, art. 4 (2).
256 Madrid Agreement, art. 6 (1).
257 Madrid Agreement, art. 7 (1).
258 Madrid Agreement, art. 5 (1). The grounds for refusal, as outlined in the Paris Convention art. 6quinquiesB include, when registration would infringe the rights acquired by third parties in the country where protection is claimed, when the mark is exclusively descriptive and devoid of any distinctive character, and when registration would be contrary to morality or public order and would likely deceive the public.
259 Madrid Agreement, art. 5 (2).
system. The applicant is given the option to seek remedies in terms of the domestic law of the country refusing registration and must be afforded the opportunity to defend his rights.

3.2.3 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

Leaffer notes that the Madrid Agreement failed to provide a globally comprehensive international registration due to lack of broad international acceptance and countries such as the US, UK and Japan had not joined the agreement. Some of the issues that these countries had with the Madrid Agreement related to the requirement that international application be based on national registration, the one year period of time within which to refuse protection in designated country and the possibility of protection in the designated countries falling away if the national mark no longer enjoys legal protection in the country of origin. The Protocol remedied some of these issues to make the Madrid System acceptable to more countries.

The Protocol provides for an international application based on a national application and not only on an issued national registration of the mark in the country of origin. An applicant can therefore use a national filing as the basis for international application. Also, instead of the one year period within which to refuse registration under the Madrid Agreement, the Protocol extends this to 18 months, with the possibility for a longer period where there are opposition proceedings.

In addition, the Protocol makes international registration of a mark independent of the national registration, thus cancellation of the mark in the country of origin does not automatically invalidate the registrations done in the other designated countries. If the country of origin requests cancellation of the international registration, the holder of the international registration mark has three months within which to file an application in any of the designated countries.
the other countries in which the international registration had effect, with the filing date or priority date of the international registration.\textsuperscript{270}

As to the reconciliation between the Madrid Agreement and the Protocol, the designation of countries is done in terms of the treaty that is common to the country of origin and the designated country.\textsuperscript{271} There are therefore three routes, depending on whether a country is party to the Madrid Agreement, the Protocol or both – an international application governed by the Madrid Agreement means all the designations are made under the Madrid Agreement; an international application governed exclusively by the Protocol means all the designations are done under the Protocol; and an international application governed by both the Madrid Agreement and the Protocol means that some designations are under the Agreement and some under the Protocol.\textsuperscript{272}

3.2.4 The Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957)

Goods and services are categorised for the purposes of registration and the international registration system for categorisation of goods and services is the Nice Classification introduced by the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.\textsuperscript{273} It is up to member countries to decide on using the Nice Classification as they see fit, either as a principal or subsidiary system.\textsuperscript{274} The Nice Classification divides goods and services into classes and there are 34 classes relating to goods and 11 classes relating to services. The classes and classification are revised by a Committee of Experts.\textsuperscript{275}

3.2.5 The Agreement on Trade-related Aspects of Intellectual Property Rights (1994)

The Uruguay Round of negotiations under the General Agreement on Tariffs and Trade (GATT) presented an opportunity to bring intellectual property into the framework of world

\textsuperscript{271} WIPO op cit note 62 at 288.
\textsuperscript{272} Ibid.
\textsuperscript{273} Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, June 15, 1957, as last amended on September 28, 1979.
\textsuperscript{274} Nice Agreement, art. 2.
\textsuperscript{275} Nice Agreement, art. 3.
The process culminated in the TRIPS Agreement which is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994. The TRIPS Agreement, which is binding on all WTO member states contains minimum standards of protection for intellectual property and refers to and incorporates some provisions of the Paris Convention. Part II of TRIPS contains the substantive standards on the scope and use of intellectual property rights, and trademarks are addressed in Section 2. Though TRIPS sets minimum standards for protection, it allows members to go beyond in their national legislation so long as they respect the national treatment principle. The national treatment principle states that as far as intellectual property protection is concerned, member states shall accord no less favourable treatment to foreign non-nationals as it accords its own nationals.

3.2.5.1 Definition of Trademark and scope of protection

Unlike the Paris Convention, TRIPS stipulates what constitutes a trademark: ‘any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings.’ This definition highlights one of the main function of trademarks, distinguishing. A trademark can be applied to any goods or services regardless of the nature of the goods or services to which a trademark is to be applied. The provision is similar to art. 7 of the Paris Convention. A trademark can be constituted by words, letters, numerals, figurative elements and combination of signs or colours.

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278 There are some transitional periods in the TRIPS Agreement for least developed countries to comply with the minimum requirements established by the agreement. For example, art. 66 (1) which gave least developed countries a period of 10 years from 1 January 1996 to comply, which period has been extended twice; in November 2005 to 1 July 2013, and in July 2013 it was extended to 1 July 2021.
280 TRIPS Agreement, art. 1 (1).
281 TRIPS Agreement, art. 3.
282 TRIPS Agreement, art. 15 (1)
283 TRIPS Agreement, art 15 (4)
284 TRIPS Agreement, art 15 (1)
The words or signs can be fanciful, arbitrary, or suggestive, however, descriptive trademarks cannot be protected unless there is a secondary meaning. It has been argued though that trademarks that ‘come close to being purely descriptive’ entail the least amount of effort in communicating to the customers hence their attractiveness. Generic words or signs or those that have become customary cannot be protected but countries can make exceptions in their domestic laws for instance, ‘fair use of descriptive terms’ to the extent that such exceptions consider rights of third parties and the trademark owner.

Though signs must be capable of distinguishing the goods or services, signs that are not ‘inherently capable of distinguishing’ can, however, be registered where distinctiveness has been acquired through use. Again, this reiterates the distinguishing function of trademarks and in this case where a mark has been so used in the course of trade such that it has acquired distinctiveness due to its recognition as such.

Though registrability may depend upon use, actual use of the mark shall not be a condition for filing for an application for registration. This means one may have to show an intention to use the trademark to be able to file and register the trademark but non-use of the mark at the time of filing an application for registration cannot be a condition for registration. In addition, before the expiry of three years from the date of application, an application shall not be denied solely because the trademark has not been used.

3.2.5.2 Extension of protection of well-known marks

The Paris Convention in art.6bis (1) provides for the protection of well-known marks, as already highlighted above. However, under the Paris Convention, protection is limited to well-known marks for goods only. The TRIPS Agreement extends the protection of well-known marks to services. There is still no definition of well-known mark provided but

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286 Ibid.
287 Ibid at 226.
288 TRIPS Agreement, art. 17.
289 TRIPS Agreement, art. 15 (1).
290 TRIPS Agreement, art. 15 (3).
291 TRIPS Agreement, art. 15 (3).
292 TRIPS Agreement, art. 15 (3).
293 See section 3.2.1.3
294 TRIPS Agreement, art 16 (2) as read together with Paris Convention, art. 6bis.
there are characteristics of what could constitute a well-known mark\textsuperscript{295}, that is, knowledge of
the trademark in the relevant sector of the public and in the particular country.

There is also additional protection for well-known marks for goods and services against
the use of the trademark on dissimilar goods or services where use of the trademark would
indicate a connection between the dissimilar goods or services and the owner of the
trademark and where such use would harm the interests of the owner of the trademark\textsuperscript{296}. This
means protection extends to dissimilar goods or services.

3.2.5.3 Rights conferred

The minimum registration term of a trademark is no less than seven years and can be
renewed in perpetuity\textsuperscript{297}. This gives a trademark holder significant time to use the trademark
and TRIPS establishes the exclusive right to prevent unauthorised use of a trademark in the
course of trade, a similar or identical mark for goods or services which are identical or similar
to those in respect of which the trademark is registered where such use would result in a
likelihood of confusion\textsuperscript{298}.

The key phrase is ‘likelihood of confusion’; it is the standard for gauging whether or
not there has been an infringement on the exclusive right of a trademark holder. In preventing
instances where confusion can occur, as a result of a similar or identical mark, one of the
aspects of trademark which is consumer protection\textsuperscript{299} is reinforced. Where a mark is identical
to a registered trademark, the likelihood of confusion is presumed where the mark is used on
goods or services that are identical\textsuperscript{300}.

The exclusive right to authorise the use of the trademark gives rise to two economic
rights; right to assign and right to licence\textsuperscript{301}. As trademarks are territorial, it is left up to
member states to determine conditions for licencing and assignments of trademarks. The right

\textsuperscript{295} TRIPS Agreement, art 16 (2). Article 2(a) of the WIPO Joint Recommendation Concerning Provisions on the
Protection of Well-Known Marks provides a non-exhaustive list of factors to consider when assessing whether a
mark is well-known, these include – the degree of knowledge or recognition of the mark in the relevant sector of
the public; the duration, extent and geographical area of any use of the mark; duration, extent and geographical
area of any promotion of the mark; the duration and geographical area of any registrations, and/or any
applications for registration, of the mark; the record of successful enforcement of rights in the mark; and the
value associated with the mark.

\textsuperscript{296} TRIPS Agreement, art. 16 (3) as read together with Paris Convention, art. 6bis.

\textsuperscript{297} TRIPS Agreement, art. 18.

\textsuperscript{298} TRIPS Agreement, art. 16 (1).

\textsuperscript{299} Long op cit note 285 at 229.

\textsuperscript{300} TRIPS Agreement, art. 16 (1).

\textsuperscript{301} TRIPS Agreement, art. 21.
to assign, as opposed to the Paris Convention which requires the transfer of the business or goodwill to which the trademark belongs, is more flexible in TRIPS as it allows trademarks to be assigned with or without the transfer of the business to which the trademark belongs. Compulsory licencing – the mechanism to enable a government to use or authorise an entity to use the rights of an IP holder for a product or process to meet, usually, an emergency or important public need – is prohibited under TRIPS.

Registration of a trademark may be cancelled only after at least three years of uninterrupted non-use of the trademark in instances where use is required to maintain registration. However, the trademark owner must be given an opportunity to show any valid reasons for non-use of the trademark and such valid reasons can be circumstances which the trademark owner has no control over, and which arise independently. Use of the trademark does not have to be only by the owner to maintain registration, it can also be used by another person.

Article 20 of TRIPS provides that the use of a trademark ‘shall not be unjustifiably encumbered by special requirements, such as use with another trademark, use in a special form or use in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings.’ This provision is an attempt to balance the legitimate interest of trademark holders and the right of WTO members to adopt measures to protect the interests of society.

3.2.5.4 Enforcement

The TRIPS Agreement is the first treaty to introduce enforcement measures against members that do not comply with the minimum protection of intellectual property rights through its dispute settlement mechanism. TRIPS mandates remedies to prevent infringement and remedies to deter further infringement of intellectual property rights in general, including trademarks. It is, however, clear that there is no obligation created on states

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302 Paris Convention, art. 6quater (1).
303 TRIPS Agreement, art. 21.
304 TRIPS Agreement, art. 21.
305 TRIPS Agreement, art. 19 (1).
306 TRIPS Agreement, art. 19 (1).
307 TRIPS Agreement, art. 19 (1).
309 TRIPS Agreement, art. 41 (1).
to put in place a judicial system separate from its existing enforcement system, so the enforcement of intellectual property rights can be integrated into the already existing judicial system of member states.

Rights holders are availed to civil procedures and the remedies available include injunctions, declaratory orders, damages and expenses and legal costs. Removal of a trademark that is unlawfully affixed to counterfeit goods is however not sufficient for the release of the goods, unless in exceptional circumstances. Other remedies include the disposal of the infringing goods, without compensation, outside the normal channels of commerce or that the infringing goods are destroyed and where there exist materials or instruments that enable the creation of the infringing goods, disposal of the materials.

In addition, there is also provision for border control measures, the seizure, forfeiture and destruction of infringing goods and materials used to create the infringing goods and criminal proceedings and sanctions in instances of wilful trademark counterfeiting or commercial scale infringement.

The international legal framework for trademark protection developed from the Paris Convention to the TRIPS Agreement, with the subsequent instruments building upon the other in harmonising trademark protection. The next section discusses the progression of geographical indications protection, which also begins with the Paris Convention.

3.3 International regulation of geographical indications

3.3.1 Paris Convention (1883)

International protection of geographical indications can be traced back to the first treaty on industrial property, the Paris Convention. According to art. 1(2) of the Paris Convention, indications of source and appellations of origin are among the objects of industrial property protection. Though not providing definitions for indications of source or appellations of origin, the Paris Convention in art. 10 makes the earliest attempt at preventing

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310 TRIPS Agreement, art. 42.
311 TRIPS Agreement, art. 44 and 45.
312 TRIPS Agreement, art. 46.
313 TRIPS Agreement, art. 46.
314 Section 4 of TRIPS Agreement.
315 TRIPS Agreement, art. 61.
316 TRIPS Agreement, art. 61.
goods bearing false indications as to their source or identity of the producer from making their way onto the market.

Article 10 provides that ‘in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant’ the provisions of art. 9 shall apply and art. 9 provides for the seizure of goods bearing a false indication of source. The negotiations regarding art. 10 were contested with different countries holding divergent views on incorporating geographical indications protection. The contention concerned, among other things, ‘absolute prohibition’ where false indications were prohibited and ‘qualified prohibition’ where, in addition to the false indication, there was use of a fictitious trade name or fraudulent intent. The original text of the Paris Convention provided for qualified prohibition and it was only in 1958 that the provision as it appears now was adopted.

Article 10bis which relates to unfair competition also lists activities which constitute unfair competition. Indications which mislead the public as to the nature, manufacturing process, characteristics, suitability of purpose or quantity are prohibited. In negotiations regarding this provision, the United States objected to the inclusion of the word ‘origin’. Including that word into the provision would have meant that indications which mislead as to the origin of goods would have constituted an act of unfair competition.

Though the Paris Convention prohibits the importation of goods with false indications of source, it does not prohibit geographical indications that are misleading, for example geographical indications used in translation or used with terms like ‘kind’, ‘style’ or ‘type’. It however is the basis upon which geographical indication protection developed.

318 Paris Convention, art.10 (1).
319 L Bendekgely and CH Mead ‘International protection of appellations of origin and other geographic indications’ (1992) 82 Trademark Reporter 765-792 at 780.
320 Ibid.
321 WIPO op cit note 81 at 14.
322 Bendekgley & Mead op cit note 319 at 780.
323 Paris Convention, art.10bis 3 (3).
324 Bendekgley & Mead op cit note 319 at 780.
3.3.2 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (1891)

The provisions in the Paris Convention were not satisfactory to some countries, particularly European countries, which had a greater interest in protecting geographical indications. Article 19 of the Paris Convention provided for the right of countries to enter into special agreements for the protection of industrial property and hence proposals were made for another agreement at the Madrid Revision Conference of the Paris Convention in 1890. Eight countries established a special union under the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (Madrid Agreement 1891).

The Madrid Agreement (1891) went a step further than the Paris Convention by preventing not only the use of false indications of source, but also deceptive indications of source. This covers instances where there is a similar geographical name in different countries and in one of the countries, the geographical name is used as an indication of source for products originating in that country. For example, the name Nyanga exists in both South Africa and Zimbabwe – if producers of tea in Nyanga Zimbabwe use ‘Nyanga Tea’ as an indication of source, the use of that indication by producers in South Africa would not be false as the geographical name is true but would be misleading as to the true origin of the tea.

The Madrid Agreement (1891), like the Paris Convention, also provides for the seizure of goods bearing a false or deceptive indication of source. Seizure can be on importation of goods bearing a false or deceptive indication of source, in the country where the false or deceptive indication has been affixed or within the country in which the goods bearing the false or deceptive indication have been imported. It also provides for a prohibition of

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326 WIPO op cit note 81 at 14.
327 Brazil, France, Guatemala, Portugal, Spain, Switzerland, Tunisia, and the UK signed the agreement on 14 April 1891. Data retrieved from the WIPO website available at https://wipolex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=C&code=AL&treaty_id=3 accessed on 19 December 2020.
328 Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, of April 14, 1891 as last revised at Lisbon on October 31, 1958.
330 Madrid Agreement (1891), art. 1 (1) and (2). Martin op cit note 317 at 123-4.
importation of such goods\textsuperscript{331} and where no laws on seizure or prohibition of importation exist, laws relating to marks and trade names are applicable\textsuperscript{332}.

The Madrid Agreement (1891) provides that the courts of each country shall determine which appellations have become generic\textsuperscript{333}. However, ‘regional appellations concerning the source of products of the vine’ are excluded from this provision. This reflects the interests of the countries of the Union in protecting appellations of wines\textsuperscript{334}, a point which recurs in the TRIPS Agreement. It is also a significant shift from the general rule that conditions for protection are determined in the country in which protection is sought. The treatment of terms considered generic in the domestic context has been one of the problems some countries, for example the United States, has had with the protection of geographical indications\textsuperscript{335} especially with products of the vine as they consider some appellations of wines to have become generic in their territory\textsuperscript{336}.

3.3.3 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958)\textsuperscript{337}

At the Lisbon Diplomatic Conference of 1958 on the revision of the Paris Convention another attempt was made to improve the international protection of geographical indications. This resulted in the Lisbon Agreement for the Protection on Appellations of Origin and their International Registration (Lisbon Agreement). Though the protection afforded in the Lisbon Agreement is supplementary to protection under the Paris Convention and the Madrid Agreement\textsuperscript{338}, the Lisbon Agreement offers a higher level of protection in comparison to the Paris Convention and the Madrid Agreement\textsuperscript{339}, with countries undertaking to protect

\textsuperscript{331} Madrid Agreement (1891), art.1 (3).
\textsuperscript{332} Madrid Agreement (1891), art.1 (5).
\textsuperscript{333} Madrid Agreement (1891), art. 4. Martin op cit note 317 at 124, notes that this afforded an expansive protection which some countries did not favour hence few countries signed the agreement.
\textsuperscript{334} Addor & Grazioli op cit note 329 at 877.
\textsuperscript{335} Bendekgey & Mead op cit note 319 at 782.
\textsuperscript{336} Ibid at 783.
\textsuperscript{337} Lisbon Agreement for the Protection of Appellations of Origin and their International Registration of October 31, 1958, as last amended on September 28, 1979.
\textsuperscript{338} Lisbon Agreement, art. 4.
\textsuperscript{339} WIPO op cit note 62 at 15, Addor & Grazioli op cit note 329 at 877. DJ Gervais ‘Reinventing Lisbon: the case for a protocol to the Lisbon Agreement (geographical indications’ (2010) 11 Chicago Journal of International Law 67-126 at 89 states that the Lisbon Agreement requires that an appellation of origin be protected as such, meaning “as the geographical name of a country, region, or locality, which serves to designate a product originating therein, the quality and characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.”
appellations of origin already protected in the country of origin and registered in the international register managed by the International Bureau at WIPO\textsuperscript{340}.

The Lisbon Agreement introduced the international registration system for appellations of origin\textsuperscript{341} and broadened the scope of protection for appellations of origin. It prevents any usurpation or imitation of an appellation of origin ‘even if the true origin of the product is indicated’\textsuperscript{342}. It further prohibits use of an appellation of origin in translation form or use with terms such as ‘kind’, ‘type’, ‘make’, ‘imitation’\textsuperscript{343}. Therefore, an appellation of origin cannot be used to indicate style or type of product even if such use is not misleading or deceptive.

A key provision in the Lisbon Agreement that differs from the Madrid Agreement is in relation to genericness. Unlike the Madrid Agreement which leaves it to countries to determine whether an appellation of origin has become generic or customary, the Lisbon Agreement offers protection against an appellation of origin becoming generic. It provides that where an appellation of origin is protected in the country of origin it cannot become generic in a country where it has been granted protection\textsuperscript{344} and for as long as the appellation of origin is protected in the country of origin it shall remain valid\textsuperscript{345}. This treatment of genericness remained one of the issues that the United States found problematic and thus never joined the Lisbon Agreement\textsuperscript{346}.

The Lisbon Agreement has however had limited membership\textsuperscript{347}, there are only seven African countries; Algeria, Burkina Faso, Congo, Gabon, Morocco\textsuperscript{348}, Togo and Tunisia. An amendment to the Lisbon Agreement was introduced by the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications\textsuperscript{349} (Geneva Act), to include the international registration of geographical indications. The Geneva Act came into

\textsuperscript{340} Lisbon Agreement, art.1 (2).
\textsuperscript{341} Lisbon Agreement, art. 5 (1).
\textsuperscript{342} Lisbon Agreement, art. 3.
\textsuperscript{343} Lisbon Agreement, art. 3.
\textsuperscript{344} Lisbon Agreement, art. 6.
\textsuperscript{345} Lisbon Agreement, art. 7.
\textsuperscript{346} Bendekgey & Mead op cit note 319 at 782.
\textsuperscript{347} As of 19 December 2020, the Lisbon Agreement has 30 Contracting Parties. Data retrieved from the WIPO website available at https://wipolex.wipo.int/en/treaties/ShowResults?start_year=ANY&end_year=ANY&search_what=C&code=AL &treaty_id=10, accessed on 19 December 2020. J Watal Intellectual property in the WTO and developing countries (2001) 265, notes that the Lisbon Agreement has narrow substantive standards which has contributed to the limited membership.
\textsuperscript{348} Though Morocco signed the agreement, it has so far not deposited its’ instruments of ratification.
\textsuperscript{349} Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications of May 20, 2015.
force on 26 February 2020 with the ascension of the EU. Among the features of the Geneva Act, are that; it expands the subject matter of protection under the Lisbon System to include geographical indications, offers broad protection to geographical indications by prohibiting use in translation form or use with terms such as ‘style’, ‘kind’, ‘type’, ‘imitation’ and ‘like’ and prohibits unauthorised use in respect of dissimilar goods to those that bear a geographical indication where such use would suggest a connection and likely damage the interests of the beneficiaries of the geographical indication, impair, dilute or take unfair advantage of the reputation of the geographical indication. The Geneva Act also opens membership to states that are party to the Paris Convention or WIPO member states, and intergovernmental organisations provided that at least one member is party to the Paris Convention.

3.3.4 TRIPS Agreement (1994) – Minimum Standards of Protection

The Madrid Agreement focused on border measures while the Lisbon Agreement introduced a system of international registration, however they did not provide the kind of substantive protection that countries in Europe especially sought. The TRIPS Agreement in section 3 addresses geographical indications. It establishes the minimum requirements for geographical indication for countries to implement in their national laws, additional

352 Geneva Act, art. 11 (2).
353 Geneva Act, art. 11 (1)(a).
354 Geneva Act, art. 28 (1)(iii).
355 Watal op cit note 347 at 265.
356 Ibid.
357 Gervais op cit note 86 at 11, notes that the Uruguay Round of negotiations that culminated in the TRIPS Agreement presented another opportunity to advance the international protection of geographical indications by bringing intellectual property into the framework of world trade. Watal op cit note 347 at 265, states that while the European Community and Switzerland pushed for geographical indications protection, the United States and countries like Australia and Canada sought to protect their existing use of geographical indications especially for wines and spirits. These countries – often referred to as the ‘new world’ - insisted that some appellations, particularly for wines had become generic in their territories and thus resisted geographical indications protection.
358 TRIPS Agreement, art. 22. Martin op cit note 317 at 129. Reichman op cit note 308 at 362, states that TRIPS ‘augments the minimum standards of protection for trademarks generally and initiates action to establish tough standards for geographic indications of origin.’
protection to geographical indications for wines and spirits\textsuperscript{359}, and provides for future negotiations to enhance geographical indications protection\textsuperscript{360} as well as exceptions to the protection of geographical indications\textsuperscript{361}.

3.3.4.1 Scope of protection under TRIPS

Article 22 (1) of TRIPS defines geographical indications as indications used to identify a good from a specific geographical location where the good has a quality, reputation or other characteristic attributable to the geographical origin. Geographical indications are not limited to any particular kind of goods, so it can be anything, agricultural products, foodstuff, beverages etc. There is a similarity between art. 22 (1) and the Lisbon Agreement’s art. 2 on the definition of appellation of origin. The TRIPS definition is however broader than the narrow standards in the Lisbon Agreement\textsuperscript{362} in that it extends protection to indications that signal ‘reputation’ whereas the Lisbon Agreement refers only to ‘quality or other characteristics’.

The key elements of a geographical indication are that it is a sign, identifies goods from a specific geographical origin and the goods bear characteristics attributable to geographic origin. A geographical indication can be the name of a country, region or locality or it can be an image, symbol, or words. There however must be a link between the place of origin and the characteristics of the good, for example the climatic conditions in the region determine the colour, flavour, smell, or taste of a product. Article 22 does not identify who can own a geographical indication, it provides for ‘interested parties’ and this can be producers from a region who can collectively own the geographical indication (for example an association or cooperative) or the state that can set standards for producers to adhere to in order to use the geographical indication.

Geographical indication protection in art. 22 has two layers, protection against use by others and protection against use as a trademark. Protection against use by others is to prevent use that is misleading\textsuperscript{363} and use that constitutes unfair competition\textsuperscript{364}. Article 22 (2)(a)

\textsuperscript{359} TRIPS Agreement, art. 23.
\textsuperscript{360} TRIPS Agreement, art. 24.
\textsuperscript{361} TRIPS Agreement, art. 24 (4) to 24 (8).
\textsuperscript{362} Gervais op cit note 86 at 294. See also I Calboli ‘Expanding the protection of geographical indications of origin under TRIPS: “old” debate or “new” opportunity?’ (2006) 10 (2) Marquette Intellectual Property Review 181-203 at 190 and Blakeney op cit note 325 at 640.
\textsuperscript{363} TRIPS Agreement, art. 22 (2)(a).
\textsuperscript{364} TRIPS Agreement, art. 22 (2)(b).
obliges members to provide legal means to prevent use of any means in the designation or presentation of goods that suggests that the goods originate in a geographical area other than the true place of origin in a way that misleads the public. These are false and deceptive indications, and one would have to show that such use might mislead the public.

As regards unfair competition art. 22 (2)(b) obliges members to prevent any use, with regard to the geographical indication, which constitutes an act of unfair competition within the meaning of art. 10bis of the Paris Convention (1967). In terms of art.10bis (2) of the Paris Convention any acts contrary to honest practices in industrial or commercial matters constitute unfair competition and this includes, but is not limited to,

1. All acts that cause confusion by any means whatever with the establishment, goods, industrial or commercial activities of a competitor,
2. False allegations in the course of trade that discredit the establishment, goods, industrial or commercial activities of a competitor,
3. Indications or allegations in the course of trade liable to mislead the public as to the nature, manufacturing process, characteristics, suitability for purpose, or the quantity of goods.

The element of misleading the public also arises in the context of unfair competition and though art. 10bis (3)(3) does not state the indication must be false, generally falsehood is the basis for the misleading nature of the indication.

The protection against use as a trademark is pertinent as some countries protect geographical indications under their trademark laws. Article 22 (3) relates to that relationship between trademarks and geographical indications. It provides that a member shall refuse or invalidate the registration of a trademark which contains or consists of a geographical indication with respect to goods that do not originate in the territory indicated if use of the indication in the trademark is of such a nature as to mislead the public as to the true place of origin. The refusal or invalidation may be at the request of an interested party or by a public authority in terms of the national law. This provision does not relate to instances where a

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365 Calboli op cit note 362 at 191, states that ‘in spite of this freedom in the modalities of implementing GI protection, TRIPs explicitly states that member countries should provide, without hesitation, enforcement mechanisms for GI protection’.
366 Paris Convention, art. 10bis (3).
367 Gervais op cit note 86 at 300.
368 TRIPS Agreement, art. 22 (3).
geographical indication is protected as a certification or collective mark and used on goods originating in the territory indicated by the geographical indication.

In terms of art. 22 (4) the provisions of art. 22 (1) to (3) shall also apply to homonymous geographical indications. This is where the same or similar geographical name exists in two different countries and in one of the countries that name is a geographical indication. In such situations use of that geographical indication by someone in the region that does not produce the commonly known goods is deceptive. The provisions relating to protection against use by others and against use as a trademark (art. 22 (2) and (3)) will therefore apply where the geographical indication though literally true as to the territory, in which the goods originate, misrepresents to the public that the goods originate in another territory.

3.3.4.2 Additional protection for wines and spirits under art. 23

The TRIPS Agreement contains, in art. 23, an additional layer of protection for wines and spirits. The use of a geographical indication identifying wines or spirits for wines or spirits not originating in the place indicated by the geographical indication is prohibited ‘even where the true origin of the good is indicated or the geographical indication is used in translation or accompanied by expressions such as “kind”, “type”, “style”, “imitation” or the like’. This protection is similar to art. 3 of the Lisbon Agreement. It is greater in scope than art. 22. First, it refers to wines and spirits specifically thereby excluding other products, second even where the true origin is indicated the geographical indication cannot be used and third, translations or expressions that show similarity are also prohibited.

Article 23 (2), like art. 22 (3), provides that registration of trademarks for wines or spirits which contains or consists of a geographical indication identifying wines or spirits shall be refused or invalidated where the wines or spirits do not originate there. However, unlike art. 22 (3), there is no requirement to show that such use results in consumers being misled as to the true place of origin. This is the reason why the protection for wines and

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369 TRIPS Agreement, art. 22 (4).
370 Addor & Graziosi op cit note 329 at 879.
371 TRIPS Agreement, art. 23 (1).
372 TRIPS Agreement, art. 23 (2).
spirits afforded in art. 23 is considered additional protection in comparison to the rights afforded in art. 22\textsuperscript{373}.

Article 23 (3) addresses homonymous (similar) geographical indications for wines. Protection is afforded to each geographical indication where use is not deceptive, but the concerned Members are to determine the practical conditions for differentiation of the geographical indications in a manner that ensures equitable treatment of producers and that consumers are not misled\textsuperscript{374}. The provision however does not create an obligation for negotiation to reach a solution as to the practicalities of use of the geographical indications. This provision, unlike the other provisions on additional protection for wines and spirits, makes no mention of spirits.

Article 23 (4) provides for negotiations in the Council for TRIPS to establish a multilateral system of notification and registration of geographical indications for wines. The European Community had wanted a system of registration\textsuperscript{375} like that under the Lisbon Agreement but this position did not find support as few countries had signed the Lisbon Agreement. Article 23 (4) reflects the compromises between the European Community and wine producing countries like Australia for further negotiation in this regard. The provision however makes references to wines alone and not spirits, again showing the considerable interest for protection of geographical indications for wines rather than other products. Some scholars have supported a multilateral system of registration as something positive for developing countries\textsuperscript{376}.

TRIPS also provides for international negotiations in art. 24 (1), however these negotiations are ‘aimed at increasing the protection of individual geographical indications under art. 23’, art. 23 refers to additional protection for geographical indications for wines and spirits. The provision is again a compromise between Members that wanted stronger protection for geographical indications for wines and spirits and those that considered certain appellations to have become generic\textsuperscript{377}. Satisfactory provisions to all Members could not be reached and the option for further negotiations was the best way forward.

\textsuperscript{373} Gervais op cit note 86 at 306.
\textsuperscript{374} TRIPS Agreement, art.23 (3).
\textsuperscript{375} Gervais op cit note 86 at 297.
\textsuperscript{376} Watal op cit note 347 at 274.
\textsuperscript{377} Gervais op cit note 86 at 313. A geographical indication becomes generic when it ceases to be regarded as denoting specific attributes of a product linked to the geographical origin, but simply a term which indicates a type of product. This is encompassed in Art. 24.6 of the TRIPS Agreement which states that there is no obligation for a Member State to protect a geographical indication where the indication is identical with the term
3.3.4.3 Exceptions

Articles 24 (4) to 24 (8) are considered as exceptions; however, these exceptions cannot be used to refuse to engage in negotiations or enter into bilateral and multilateral agreements\(^{378}\). Some countries have relied on bilateral agreements to protect their geographical indications, for example the EU signed an Economic Partnership Agreement with the Southern African Development Community (SADC) countries; Botswana, Lesotho, Mozambique, Namibia, South Africa and Eswatini – which contains a bilateral protocol on geographical indications between the EU and South Africa\(^{379}\). The United States and Canada have also stated that some geographical indications have become generic, for example ‘Parmesan’ (cheese) and ‘Parma’ (ham) and ‘Chablis’ (alcohol),\(^{380}\) and therefore the EU has continued to seek bilateral agreements to expressly protect some geographical indications that could otherwise be considered generic\(^{381}\).

The Council for TRIPS is mandated to ‘keep under review the application of the provisions of this section’\(^{382}\) however it has no specific powers\(^{383}\). It has played a central role in ensuring on-going discussions on geographical indications protection and since 1996 the negotiations for a multilateral system of notification and registration of geographical indications for wines and spirits\(^{384}\). Several countries have also made proposals on the registration system, including the EU and the United States\(^{385}\).

Article 24 (3) of TRIPS states that in implementing the exceptions, the level of geographical indication protection that existed in a country before the entry into force of the

\(^{378}\) TRIPS Agreement, art. 24 (1).


\(^{380}\) Hughes op cit note 156 at 302. SA Bowers op cit note 156 at 137. In South Africa, names such as ‘Port’ and ‘Sherry’ were widely used by producers until the EU/SADC trade agreement came into effect, see A van der Merwe ‘Geographical indication protection in South Africa with particular reference to wines and the EU connection’ (2008) 33 (1) Journal for Juridical Science 111-117 at 115.

\(^{381}\) Watal op cit note 347 at 269.

\(^{382}\) TRIPS Agreement, art.24 (2).

\(^{383}\) Gervais op cit note 86 at 314.

\(^{384}\) Ibid at 308-309.

\(^{385}\) See WTO Implementation of Article 23.4 of the TRIPS Agreement relating to the establishment of a multilateral system of notification and registration of geographical indications (Document IP/C/W/107/Rev.1, June 22, 2000). For a discussion on the different proposals see Watal op cit note 347 at 266 and Gervais op cit note 86 at 322.
WTO Agreement shall not be diminished\textsuperscript{386}. This provision is to ensure that whatever protection granted in a country, which may be greater than the minimum set in TRIPS, is maintained. The continued and similar use of a geographical indication for wines or spirits, by nationals who have used the geographical indication on the same or related goods continuously for 10 years or in good faith, before 15 April 1994, is permitted\textsuperscript{387}. This exception is for prior continuous use of a geographical indication before the entry onto force of TRIPS and is limited to geographical indications for wines and spirits.

Where a trademark similar or identical to a geographical indication has been applied for, registered, or acquired through use in good faith before the implementation of TRIPS or before a geographical indication is protected in the country of origin, it shall remain valid\textsuperscript{388}. The last sentence of art. 24 (5) reads ‘…measures adopted to implement this Section…’ and some have interpreted the word ‘Section’ to imply that this exception applies to geographical indications for wines and spirits. However, the use of the word ‘Section’ refers to Section 3 of Part II of TRIPS which contains the provisions on geographical indications, so unlike art. 24 (4) this exception is not limited to geographical indications for wines and spirits but extends to all products\textsuperscript{389}. It is an exception to the provisions under art. 22 (3) and 23 (2) which relate to the refusal or invalidation of a trademark that contains or consists of a geographical indication.

Article 24 (6) provides that a Member need not protect a geographical indication where the geographical indication is identical with a term customary in common language as the common name for goods or services\textsuperscript{390}. This provision relates generally to geographical indications that are considered generic. Article 24 (6) contains the general principle that if a term is customary as the common name for goods or services then it need not be protected as a geographical indication\textsuperscript{391}. This principle is also applied to ‘products of the vine’ where a geographical indication is identical with the customary name of a grape variety in a country as at the date of entry into force of the WTO Agreement/TRIPS\textsuperscript{392}.

\textsuperscript{386} Rangnekar op cit note 80 at 14, notes that this article is not strictly an exception but rather a ‘standstill clause’ to ensure that countries maintain whatever protection that was available prior to the TRIPS Agreement.

\textsuperscript{387} TRIPS Agreement, art. 24 (4).

\textsuperscript{388} TRIPS Agreement, art. 24 (5).

\textsuperscript{389} Gervais op cit note 86 at 315.

\textsuperscript{390} TRIPS Agreement, art. 24 (6).

\textsuperscript{391} Gervais op cit note 86 at 317.

\textsuperscript{392} TRIPS Agreement, art. 24 (6).
Article 24 (7) relates to the trademark-geographical indication relationship. It provides that the use or registration of a trademark identical or similar to a geographical indication must be contested within five years after the adverse use of the geographical indication has become known, or after the date of registration of the trademark, and provided the ‘geographical indication is not used or registered in bad faith’. This provision sets a time limit on measures taken regarding the use or registration of a trademark that contains a geographical indication.

The right of a person to use his or her name in the course of trade or the name of a predecessor is recognised in art. 24 (8) except where such use can mislead the public.

In terms of art. 24 (9), Member States have no obligation to protect geographical indications which are not protected in their country of origin or cease to be protected in their country of origin or those that have fallen into disuse in the country of origin. This provision, also known as the dependency exception, means prior protection in the country of origin is a prerequisite for protection to be granted in other countries.

3.4 WTO discussions on extension of geographical indications protection subject matter

The negotiations on geographical indications relating to extension of scope for protection to products other than wines and spirits were part of the agenda for the Doha Ministerial Conference in November 2001. The Ministerial Declaration noted that the Council for TRIPS would address ‘the issues related to the extension of the protection of geographical indications provided for in art. 23 to products other than wines and spirits’.

The discussion at the WTO can generally be divided into two aspects: the hierarchy in levels of protection and the legal basis for negotiating extension of the subject matter. A discussion on the legal basis for negotiations arises from the built-in agenda in TRIPS, specifically art. 24 (1) and 24 (2). Article 24 (1) provides that Members enter negotiations

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393 The relationship between trademarks and geographical indications was discussed in the previous chapter at section 2.7.
394 TRIPS Agreement, art. 24 (7).
395 TRIPS Agreement, art. 24 (8).
396 TRIPS Agreement, art. 24 (9).
397 Rangnekar op cit note 80 at 24 and Gervais op cit note 86 at 319.
398 The Doha Round is the latest round of negotiations at the WTO, launched at the Fourth Ministerial Conference in Doha, Qatar, in November 2001.
399 WTO Ministerial Declaration (Document WT/MIN(01)/DEC/1, November 20, 2001) para 18.
400 Rangnekar op cit note 80 at 31.
aimed at increasing the protection of individual geographical indications under art. 23. Some Members have used this provision as the basis for extension of geographical indication subject matter. Other Members opposed to extension of subject matter have, however, interpreted art. 24 (1) to mean that further negotiations are limited to wines and spirits. This interpretation has been contested as narrow and that ‘it would be illogical to limit the mandated negotiations to an improvement of protection of geographical indications for wines and spirits because they already benefit from the additional protection under art. 23.’

Article 24 (2) provides that the Council for TRIPS shall keep under review the application of the provisions relating to geographical indications. Some Members have interpreted this provision – and particularly the last sentence which reads ‘The Council shall take such action as may be agreed to facilitate the operation and further the objectives of this Section’ – to mean that it allows the Council for TRIPS to discuss the extension of geographical indications protection. This interpretation seems to have received impetus with the report on the Council for TRIPS where the Council agreed that the review on geographical indications would permit input from Members on the issue of scope.

Members have also stated that the hierarchy in levels of protection ‘ignores that geographical indications for categories of goods other than wines and spirits are equally important for trade’. They argue that there is no justification for the distinction and want protection extended to other products for example agricultural products like tea, coffee, rice and textiles. Among the arguments advanced is that the wording in art. 23 prohibiting use of a geographical name for wines and spirits accompanied by terms such as ‘kind’, ‘style’ or ‘imitation’ provides higher protection which is not available under art. 22 for other geographical indications. In addition, art. 22 (2) creates a higher threshold to scale when contesting geographical indications due to the aspects of ‘misleading the public’ and ‘unfair competition’, which is not the case for geographical indications of wines and spirits under art. 23.

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401 WTO The protection of traditional knowledge and folklore, summary of issues raised, and points made (Document IP/C/W/204/Rev.1, March 9, 2006) para.11.
402 Rangnekar op cit note 85 at 31.
403 WTO op cit note 401.
404 Gervais op cit note 86 at 314.
406 WTO op cit note 401 para 7.
Developing countries have supported the extension of protection and various countries have made submissions on geographical indication extension at the TRIPS Council. The African Group at the WTO has, however, not spoken with one voice on the matter; instead, some African countries have expressed support for the extension (for example Kenya and Egypt, Mauritius, Nigeria and Zimbabwe), while some have been silent or not expressed a position. The EU has also supported the extension of scope for protection and provided a draft text on proposed amendments to Section 3 (i.e., the Section that relates to geographical indications in TRIPS). Countries that opposed the extension of scope include Australia, United States, Argentina, and Guatemala which argue that the protection afforded in art. 22 is sufficient.

Some member states recognise the economic significance of geographical indications as increasing quality requirements and quality awareness promote the demand for products of a specific geographical origin. India, for example, has called for the broadening of the scope of art. 23 to beverages and not limiting it to wines and spirits. The EU and Switzerland have also supported the call and seek extension to other products like cheese, chocolates, and beer. Some authors have noted that developing countries that have come to realise that they have some products that can benefit from geographical indications may, because of TRIPS, must grant higher level of protection to wines and spirits mostly from Europe without any

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411 WTO op cit note 408.

412 WTO Minutes of TRIPS Council meeting (Document IP/C/M/29, March 6, 2001) para 103.

413 WTO Communication from Bangladesh, Bulgaria, Cuba, the Czech Republic, Georgia, Hungary, Iceland, India, Jamaica, Kenya, the Kyrgyz Republic, Liechtenstein, Moldova, Nigeria, Pakistan, Slovenia, Sri Lanka, Switzerland, and Turkey (Document IP/C/W/308/Rev.1, October 2, 2001).

414 WTO op cit note 409.

415 South Centre op cit note 410 at 15.

416 WTO Communication from the European Communities (Document WT/GC/W/547, June 14, 2005).

417 WTO Issues related to the extension of the protection of geographical indications provided for in Article 23 of the TRIPS Agreement to products other than wines and spirits (Document WT/GC/W/546, May 18, 2005).

418 WTO op cit note 409 para 7.

419 Ibid para 7. See also Watal op cit note 347 at 266.

420 Watal op cit note 347 at 267, WTO op cit note 404.
reciprocal protection for their own geographical indications\textsuperscript{421} and may be forced to protect geographical indications already termed generic in some developed countries\textsuperscript{422}.

3.5 Conclusion

Though the scope of trademark and geographical indication protection is governed by national law, the international treaties seek to harmonise the legal regimes by setting the minimum standards for protection. The Paris Convention represents a significant step towards the recognition of trademarks as essential for trade and has remained a key agreement on international regulation of intellectual property. It established the foundation for minimum level of protection, national treatment principle, the independence of trademarks and the right of priority. The subsequent treaties such as Madrid Agreement and its Protocol enabled the international application for registration of trademarks, which is facilitated by the categorisation system for goods and services established by the Nice Agreement. The TRIPS Agreement stipulates what constitutes a trademark, the scope of protection and introduced enforcement measures against members that do not comply with the minimum protection through its dispute settlement mechanism.

The path for geographical indications reflects a diverse progression in terms of definitional issues. Though not providing definitions for indications of source or appellations of origin, the Paris Convention makes the earliest attempt at preventing importation of goods bearing false indications of source and appellations of origin. The Madrid Agreement (1891) provided the substantive rules to repress false or deceptive indications of source and introduced border measures to prevent their importation. The definition of appellation of origin came with the Lisbon Agreement which also introduced the international registration system for appellations of origin and broadened the scope of protection by preventing usurpation or imitation of an appellation of origin. The TRIPS Agreement defines geographical indications, sets out substantive provisions for protection, additional protection to geographical indications for wines and spirits and provides for future negotiations to enhance geographical indications protection.

Perhaps what is clear in the harmonisation efforts on trademarks and geographical indications, is that under the treaties administered by WIPO (Paris Convention, Madrid

\textsuperscript{421} Ibid at 273.
\textsuperscript{422} Ibid.
Article, Lisbon Agreement), participation is to the extent that member countries have signed the treaties, whereas with the TRIPS Agreement administered by the WTO, it is binding on all WTO member states. The different treaties in respect of geographical indications subject matter, ensure the continued and parallel use of different terminology – indication of source, appellation of origin, geographical indication. In addition, though TRIPS mandates countries to provide the legal means to protect geographical indications, it does not specify what type of legal means and countries can choose to protect them under laws regulating business practices, trademark law or sui generis system. The diversity of approaches enable flexibility which countries may require in addressing their own development needs. The next chapter explores the regional legal frameworks in Africa under the two regional intellectual property organisations, African Regional Intellectual Property Organisation (ARIPO) and Organisation Africaine de la Propriété Intellectuelle (OAPI).
Chapter 4 – African Regional Legal Frameworks on Trademarks and Geographical Indications

4.1 Introduction

This chapter explores the regional legal framework for trademarks and geographical indications in Africa and the continental efforts concerning harmonisation in this area. The African Regional Intellectual Property Organisation (ARIPO) was established in 1976 by the Agreement on the Creation of the Industrial Property Organization for English-Speaking Africa (Lusaka Agreement)\(^\text{423}\), then the organisation was known as the English Speaking African Regional Industrial Property Organization (ESARIPO)\(^\text{424}\). In 1986 the Lusaka Agreement was amended, and the name changed from ESARIPO to ARIPO. Among the objectives of ARIPO is to promote the harmonisation and development of the industrial property laws appropriate to the needs of its members and establish common services and organs necessary for the coordination, harmonisation and development of industrial property activities affecting its members\(^\text{425}\). It is responsible for coordination and cooperation on intellectual property in 19\(^\text{426}\) (largely English speaking) member states in southern Africa.

The Organisation Africaine de la Propriété Intellectuelle (OAPI) was established in 1962 by the Agreement Relating to the Creation of an African and Malagasy Office of Industrial Property. The Agreement was revised in 1977\(^\text{427}\) and again in 1999 by the Agreement Revising the Bangui Agreement of March 2, 1977, on the Creation of an African Intellectual Property Organization (Bangui Agreement)\(^\text{428}\). The Bangui Agreement contains 10 annexes regulating intellectual property law in the 17 (largely French speaking) member states\(^\text{429}\). The annexes constitute the national law of the member states and have direct


\(^{425}\) Lusaka Agreement, art. III (a) and (c). See A Adewopo ‘Trademark systems in Africa: a proposal for the harmonisation of the ARIPO and the OAPI Agreements on marks’ (2003) 6 (3) Journal of World Intellectual Property 473-484 at 475.

\(^{426}\) Botswana, The Gambia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Sierra Leone, Liberia, Rwanda, Sao Tome and Principe, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.


\(^{428}\) Agreement Revising the Bangui Agreement of March 2, 1977, on the Creation of an African Intellectual Property Organization (Bangui, Central African Republic), February 24, 1999. For a discussion on the establishment of OAPI, its organs and functions see Nwauche op cit note 424 at 105-107.

\(^{429}\) Togo, Senegal, Mali, Niger, Mauritania, Guinea Bissau, Equatorial Guinea, Guinea, Gabon, Cote d’Ivoire, Congo, Benin, Burkina Faso, Central African Republic, Cameroon, Chad, and Comoros.
application to each member state as national law. OAPI is responsible for implementing and applying the common administrative procedures deriving from a uniform system for the protection of industrial property as well as the provisions of international agreement in this field to which member states have acceded. It serves as both the national industrial property service within the meaning of art. 12 of the Paris Convention (that is the central office for communication to the public of patents, utility models, industrial designs, and trademarks) and the central patent documentation and information body. An application must be filed with OAPI, however, a member state may demand that an application be filed with its national administration where the applicant is domiciled on its territory and then the national office shall convey the application to OAPI within five working days. Any filing done with OAPI or national office of one of the member states is equivalent to a national filing in each of the member states.

Perhaps the main difference between ARIPO and OAPI in the approach to administering IP, is that OAPI receives, processes and grants title in the member states, while ARIPO receives and processes applications in designated member states and the validity of granted titles is only in the designated states which undertake the substantive examination themselves.

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430 Bangui Agreement, art. 3 (1) and art. 4. Though OAPI centralises the application, registration of all intellectual property rights, the rights granted are independent national rights subject to the legislation of each of the member states in which they have effect. T Kongolo ‘Trademarks and geographical indications within the frameworks of the African Intellectual Property Organization Agreement and the TRIPS Agreement’ (1999) 2 (5) Journal of World Intellectual Property 833-844 at 833. Adewopo op cit note 425 at 478.

431 Bangui Agreement, art. 2 (1)(a).


433 Bangui Agreement, art. 6 (1).

434 Bangui Agreement, art. 6 (2).

435 Bangui Agreement, art 7.

4.2 Regional agreements on trademarks in Africa

4.2.1 The Banjul Protocol on Marks (1993)

Under ARIPO, the Banjul Protocol on Marks is the regional framework for trademarks. It only applies to member states that are party to the protocol as in terms of s 1:1 of the Banjul Protocol, ARIPO is entrusted with the registration and administration of registered marks on behalf of the contracting member states. However, of the 19 members party to the Banjul Protocol only 11 have ratified it: Zimbabwe, Namibia, Lesotho, Malawi, Mozambique, Botswana, Tanzania, Uganda, Liberia, Swaziland and Sao Tome and Principe. The Banjul Protocol established a central trademark filing system, regulating the registration of marks and administrative issues thereof which are outlined in the Regulations for Implementing the Banjul Protocol. The ARIPO office in Harare, Zimbabwe, is the central office for the filing of applications as well as the registration and administration of marks.

The Banjul Protocol does not provide a definition of trademark, or the rights thereof and contains no substantive aspects besides the term of protection which is 10 years subject to renewal.

An application for registration can be filed either directly with ARIPO or in a member state’s national IP office. If an application is filed with a national office the application must be forwarded to ARIPO offices within one month, the practicalities of how the trademark forms are completed is a matter of national law of the contracting member states. Where an application is made through ARIPO, it must designate the countries in which protection is sought and indicate the goods or services for which protection is sought and the class or classes in terms of the Nice Classification. The application must contain a

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438 Banjul Protocol, s 1:1.
439 CB Ncube Intellectual property policy, law, and administration in Africa: exploring continental and sub-regional co-operation (2016) 106.
440 Banjul Protocol, s 7:1 and 7:2. The application for registration is examined in accordance with the national laws of a designated State. M Nkomo ‘Regional integration in the area of intellectual property: the case for Southern African Development Community involvement’ (2014) 18 Law, Democracy and Development 317-333 at 322, argues that this ‘cling to sovereignty’ is at the expense of practical, economic, and even cultural benefits.
441 Banjul Protocol, s 2:1.
442 Banjul Protocol, s 2:4.
443 Banjul Protocol, s 3:1 (c) and Rule 4.1 (c) of the Regulations for Implementing the Banjul Protocol on Marks Within the Framework of the African Regional Industrial Property Organization (ARIPO), adopted November 26, 1995, as last amended on November 26, 1999.
444 Banjul Protocol, s 3:2.
declaration of actual use of the mark or a declaration of intention to use the mark, this provision incorporates the use requirement which under TRIPS art. 15 (3) is optional for members to make registrability depend on use.

ARIPO verifies that the relevant class is indicated and examines compliance with the formal requirements. The application is then transmitted to the designated countries to do the substantive examination in terms of the national law. Where a designated country objects to the registration it must make written communication to ARIPO within nine months to the effect that registration shall have no effect on its territory. If a designated country makes no communication to ARIPO within nine months, the mark is registered. In this respect ARIPO plays a similar role to what the International Bureau of WIPO does regarding international trademarks application.

Where a designated country indicates that registration will not be effective in its territory, it must provide reasons to that effect within one month, which will be communicated to the applicant. This allows an applicant to appeal or seek a review of the decision under the national law. Once registration is confirmed with ARIPO a mark is valid in the designated states that have not denied the application and is published in the Marks Journal. The effect of registration is that the mark shall have the same rights as a mark filed and registered under the national laws of each such state.

The Banjul Protocol also provides for the right of priority and independence of marks as contained in the Paris Convention. Section 4:1 provides that an applicant or successor in title shall have the right to claim priority rights as provided under art. 4 of the Paris Convention. As filing can be done with ARIPO and in national IP offices of the contracting states, an applicant who wishes to claim the right of priority must include in the application a written declaration indicating the date, number of the earlier application, the country in which

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445 Banjul Protocol, s 3:5.
446 Banjul Protocol, s 5.
447 Banjul Protocol, s 6:1. Mupangavanhu op cit note 432 at 20 states that in this respect ARIPO preserves the sovereignty of its member states as they make the final decision on whether to register or refuse the registration of the trademark.
448 Banjul Protocol, s 6:2.
449 Banjul Protocol, s 6bis.1 as read with s 6:2.
450 Banjul Protocol, s 6:4.
451 Banjul Protocol, s 6:5.
452 Banjul Protocol, s 6bis.3.
453 Banjul Protocol, s 8:1. Nwauche op cit note 424 at 134, states that the ARIPO facilitates the registration of marks with the substantive contents of the rights being regulated by the national law of the member states.
454 See discussion in chapter 3 in section 3.2.1.
it was filed and provide a certified copy of the earlier application within three months\textsuperscript{455}. The right of priority can only be claimed within six months from the date of the earlier application\textsuperscript{456}. The principle of independence of marks is provided for in the Regulations; Rule 2 stipulates that an application may not be refused nor invalidated on the ground that filing, registration or renewal has not been effected in the country of origin as defined in art. 6\textit{quinquies A}(2) of the Paris Convention.

4.2.2 The Bangui Agreement (1977) – Annex III

Annex III of the Bangui Agreement relates to trademarks and service marks and unlike the Banjul Protocol, Annex III addresses substantive and procedural aspects for trademarks\textsuperscript{457}. As Annex III is the national of OAPI member states it is necessary to discuss its’ provisions in more detail.

4.2.2.1 Scope of protection

Article 2 (1) provides that any visible sign used or intended to be used and capable of distinguishing the goods or services of any enterprise shall be considered a trademark. This is unlike TRIPS which makes it optional for members to require that a sign be visibly perceptible for registration\textsuperscript{458}. Unlike the Banjul Protocol, Annex III provides what can be characterised as trademarks\textsuperscript{459}; i.e., signs that are capable of distinguishing goods or services. Marks that are devoid of distinctiveness; identical to a mark belonging to another; contrary to public policy, morality, or law; liable to mislead the public; or those that reproduce, imitate, or incorporate state or non-state emblems, are not eligible for protection\textsuperscript{460}.

Annex III does not condition registration on use of the mark however, non-use of the trademark can result in the mark being cancelled at the request of any interested party where the mark has not been used for an uninterrupted period of five years in the national territory of a member state\textsuperscript{461}. The cancellation may extend to all or part of the goods or services for

\textsuperscript{455} Rule 8 of the Banjul Protocol Regulations.
\textsuperscript{456} Banjul Protocol, s 4:2.
\textsuperscript{457} For a discussion of the Bangui Agreement see Ncube op cit note 439 at 112-121.
\textsuperscript{458} TRIPS Agreement, art. 15 (1), Kongolo op cit note 430 at 835.
\textsuperscript{459} Bangui Agreement, Annex III, art. 2 (1).
\textsuperscript{460} Bangui Agreement, Annex III, art. 3.
\textsuperscript{461} Bangui Agreement, Annex III, art. 23 (1).
which the mark is registered\(^{462}\). A court may order the cancellation except where the owner of the mark has legitimate reason for having failed to use the mark\(^ {463}\).

Annex III provides that ownership of a mark shall vest in the person who files it first\(^{464}\). It also provides for the right of priority is provided for in art. 11. Any person who wishes to claim priority must attach to the application for registration or send to OAPI, within three months, a declaration stating the date and number of the earlier application, country in which it was filed and a certified copy of the earlier application\(^ {465}\).

OAPI undertakes the examination, registration, and publication of trademarks according to the common procedure in Annex III\(^ {466}\). In terms of art. 8 an applicant may file with OAPI and the application must have a reproduction of the mark, the list of the goods or services to which the mark applies and the corresponding Nice Classification\(^ {467}\). A mark may be registered for one or more classes of goods and services within the categories established by the Nice Agreement\(^ {468}\).

Where the conditions for registration are met the mark is registered and published\(^ {469}\) and is effective in all OAPI member states. The registration of a mark is valid for ten years from the filing date of the application for registration and thereafter the mark may be preserved indefinitely through successive renewals of the registration every ten years\(^ {470}\).

Protection is also afforded to well-known marks in terms of art. 6. It provides that the owner of a well-known mark, within the meaning of art. 6bis of the Paris Convention and art. 16 paragraphs 2 and 3 of TRIPS, may apply to court for the invalidation of the effects of a similar trademark in the national territory of one of the OAPI member states. However, such an action may not be taken after a period of five years has elapsed following the date of application of the similar mark if the application was filed in good faith\(^ {471}\).

\(^{462}\) Bangui Agreement, Annex III, art. 23 (1).
\(^{463}\) Bangui Agreement, Annex III, art. 23 (1).
\(^{464}\) Bangui Agreement, Annex III, art. 5 (1).
\(^{465}\) Bangui Agreement, Annex III, art. 11 (1).
\(^{466}\) Bangui Agreement, Annex III, art. 9.
\(^{467}\) Bangui Agreement, Annex III, art. 8 (d).
\(^{468}\) Bangui Agreement, Annex III, art. 9.
\(^{469}\) Bangui Agreement, Annex III, art.14 (7).
\(^{470}\) Bangui Agreement, Annex III, art. 19.
\(^{471}\) Bangui Agreement Annex III, art. 6. Kongolo op cit note 430 at (1999) 838 states that another route available to the owner of a well-known mark could be the opposition procedure in art. 18, which provides for any interested party to oppose the registration of a mark within a period of six months from the date of publication of the mark.
4.2.2.2 Rights conferred

The rights to the trademark stem from registration\textsuperscript{472}, this is because art. 5 (2) provides that no person may claim exclusive ownership of a mark unless he has filed for registration in accordance with the conditions prescribed in art. 8 which relates to filing and registration conditions. Unlike the TRIPS Agreement which only confers the exclusive right to prevent unauthorised use by third parties\textsuperscript{473}, Annex III registration confers exclusive use in two regards. First, the owner of the mark is granted the exclusive right to use the mark in connection with the goods or services for which the mark has been registered\textsuperscript{474}. The exclusive right to use the mark is not limited to goods and services for which a mark is registered but extends to a sign resembling the mark\textsuperscript{475}. Second, the owner of the mark is granted the exclusive right to prevent unauthorised use in the course of trade, of identical or similar signs for goods or services that are similar to those for which the trademark is registered where such use is liable to cause confusion\textsuperscript{476}. Where an identical sign is used for identical goods and services, the risk of confusion is presumed to exist\textsuperscript{477}.

The owner of a mark also has the right to transfer the mark in whole or in part\textsuperscript{478}. Such transfer of ownership, licensing of the right of exploitation or assignment must be evidenced in writing\textsuperscript{479} otherwise they shall not be enforceable against third parties\textsuperscript{480}. The transfer may relate to all or some of the goods or services to which the mark applies\textsuperscript{481}. The owner of the mark may by contract grant a license to enable another natural person or legal entity to use the mark for all or some of the goods or services for which the mark is registered\textsuperscript{482} and the license contract must be entered in the register of marks\textsuperscript{483}.

\textsuperscript{472} Kongolo op cit note 430 at 835.
\textsuperscript{473} TRIPS Agreement, art. 16 (1).
\textsuperscript{474} Bangui Agreement, Annex III, art. 7 (1).
\textsuperscript{475} Bangui Agreement, Annex III, art. 7 (1).
\textsuperscript{476} Bangui Agreement, Annex III, art. 7 (2).
\textsuperscript{477} Bangui Agreement, Annex III, art. 7 (2).
\textsuperscript{478} Bangui Agreement, Annex III, art. 26 (1). As the TRIPS Agreement in art. 21 allows Member States to determine the conditions for licensing and assignment of trademarks, Annex III art. 26 (1) to 29 outline the conditions for licensing and assignment of marks within OAPI countries.
\textsuperscript{479} Bangui Agreement, Annex III, art. 26 (2).
\textsuperscript{480} Bangui Agreement, Annex III, art. 27.
\textsuperscript{481} Bangui Agreement, Annex III, art. 26 (3).
\textsuperscript{482} Bangui Agreement, Annex III, art. 29 (1).
\textsuperscript{483} Bangui Agreement, Annex III, art. 29 (4).
4.2.2.3 Collective Marks

Annex III also provides for collective marks for goods and services in art. 32. It is interesting to note that the provision highlights the need to facilitate development of commerce, industry, crafts, and agriculture and thus makes available collective marks for groupings, unions, and associations of producers, manufactures, craftsmen and tradesmen, provided that they are officially recognised and have legal status. OAPI therefore recognises the importance of collective signs particularly for enterprises that may not be able to use ordinary trademarks. Annex III closely mirrors Art. 7bis (1) of the Paris Convention, the only international treaty that speaks to collective marks.

Filing and registration is done in terms of the procedure applicable to trademarks and in addition, the rules for use of the collective mark must be submitted at the same time as the filing. A collective mark must be affixed either directly by the group as a means of control or by members of the group on their goods and this must be done under the supervision of the group in accordance with the rules governing the use of the collective mark. The rights in a collective mark accrue to the group and a collective mark cannot be assigned or transferred except in the event of a merger with authorisation of the transfer from the relevant Minister for industrial property.

4.2.2.4 Enforcement

Annex III also provides opposition procedures, civil remedies and criminal penalties for infringement of marks, the Banjul Protocol does not contain such provisions. Article 18 (1) provides that an interested party may oppose the registration of a mark within six months of the publication of the mark in the Special Register, stating the grounds for opposition which must be based on an infringement of the provisions of art 2 (i.e., the mark is not capable of distinguishing) or art. 3 (i.e., the mark is not eligible for registration) or an

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484 Bangui Agreement, Annex III, art. 2 (2) and art. 32.
485 Bangui Agreement, Annex III, art. 8 (e) and art. 34.
486 Bangui Agreement, Annex III, art. 33.
487 Bangui Agreement, Annex III, art. 36 (1).
488 Bangui Agreement, Annex III, art. 36 (2).
489 Bangui Agreement, Annex III, art. 18.
490 Bangui Agreement, Annex III, art. 46-49.
infringement of prior rights belonging to the opposing party. At the request of an interested party the court shall declared a mark invalid if it does not conform to the provisions of art 2, and art. 3, or conflicts with a prior right.\footnote{Bangui Agreement, Annex III, art. 24 (2).}

In terms of art. 46 the owner of a mark has the right to bring civil action for infringement. The beneficiary of an exclusive right of use can bring a civil action for infringement if the owner fails to act after being called upon to do so.\footnote{Bangui Agreement, Annex III, art. 46 (1).} The owner of the mark or holder of an exclusive right to use who has an order of court authorising seizure of goods bearing an infringing mark, may engage the relevant officials to seize goods.\footnote{Bangui Agreement, Annex III, art. 43 (1).}

Article 37 stipulates the penalties for unlawful exploitation of a registered mark, these include a fine and imprisonment term of three months to two years. The court may order the confiscation of goods bearing fraudulently affixed mark and the tools that were used to affix the fraudulent mark.\footnote{Bangui Agreement, Annex III, art. 43 (3).} The court may order the destruction of goods bearing fraudulent marks.\footnote{Bangui Agreement, Annex III, art. 43 (3).}

4.3 Regional agreements on geographical indications

4.3.1 The Bangui Agreement (1977) – Annex VI

At the regional level in Africa, only OAPI has an instrument on geographical indications – that is, Annex VI of the Bangui Agreement. While something similar is currently not available to ARIPO member states, ARIPO has done some work towards a protocol on protecting geographical indication. However, no document is yet publicly available.\footnote{See ARIPO ‘Annual Report 2014’ available at https://www.aripo.org/wp-content/uploads/2018/12/ARIP0_Annual_Report_2014_1.pdf accessed on 8 December 2020.} OAPI has pursued the development of geographical indications, in 2008 with financial support from the French Development Agency, it launched the PAMPIG Project which resulted in the registration of three geographical indications.\footnote{Chabrol et al op cit note 12 at 70.} In 2018 it again

500 See the discussion on WTO discussion on extension of geographical indications protection subject matter, above in chapter 3. Kongolo op cit note 430 at 842 notes that OAPI does not provide specific protection with respect to wines and spirits as required under TRIPS Agreement, art. 23, however, it does not exclude any product from eligibility.

501 Bangui Agreement, Annex VI, art. 5 (a).

502 Bangui Agreement, Annex VI, art. 5 (b).

503 Bangui Agreement, Annex VI, art. 5 (c).

504 Bangui Agreement, Annex VI, art. 6.

505 Bangui Agreement, Annex VI, art. 7.
which the indication applies, products for which the indication is used, the quality, reputation, or other characteristic of the product for which the indication is used.

An application for registration is examined to determine whether the applicant is entitled to apply for registration, whether the application contains particulars required under art. 5 (b) (that the geographical indication is not contrary to morality or public policy and not liable to deceive the public) and art. 7 (that the application specifies the geographical area, product and quality, reputation, or other characteristic of the product) and whether the prescribed fees have been paid. An application that does not comply with the requirements set out in art. 7 is irregular and an applicant is invited to regularise the application within three months from the date of notification of the irregularity and if the applicant fails to regularise the application within the time period the application will be rejected. Where an application is successful it is registered in the Special Register of geographical indications, the registration is published, and a certificate issued.

Article 3 of Annex V makes it clear that the benefits of protection also extend to foreign geographical indications if they fulfil the conditions for protection and art. 4 highlights the conditions for protection. Once registered with OAPI a geographical indication is entitled to the rights in Annex VI. Foreign geographical indications may be registered where provided for in an international convention to which member states (of OAPI) are party to or in enforcing legislation. This provision raises two routes for registration: in terms of a treaty and in terms of legislation. Registration under OAPI is dependent on whether an OAPI member state is party to a treaty on geographical indications, for example the Lisbon Agreement, or in terms of the national laws of a member state.

4.3.1.2 Rights conferred

Only producers in the geographical area have the right to use a registered geographical indication with respect to products specified in the register provided that the products possess quality, reputation or other characteristic. It is unlawful to use for commercial purposes a

506 Bangui Agreement, Annex VI, art. 7 (c), (d) and (e).
507 Bangui Agreement, Annex VI, art. 9 (1).
508 Bangui Agreement, Annex VI, art. 9 (3).
509 Bangui Agreement, Annex VI, art. 9 (4).
510 Bangui Agreement, Annex VI, art. 11.
511 Bangui Agreement, Annex VI, art. 4 (2).
512 Currently only Burkina Faso, Gabon and Togo are the only OAPI members party to the Lisbon Agreement.
513 Bangui Agreement, Annex VI, art. 15 (1).
registered geographical indication or similar designation with respect to the products specified in the Register or similar products ‘even if the true origin of the products is indicated or if the geographical indication is in the form of a translation or accompanied by terms “kind”, “type”, “style”, “imitation” or the like’\(^{514}\). Annex VI incorporates the higher level of protection afforded to wines and spirits in art. 23 of TRIPS, to all products through this provision.

Article 15 (6) provides that ‘the owner of an earlier mark that is identical with or similar to a geographical indication may continue to use his mark, except where such mark concerns wines or spirits.’ This echoes the higher level of protection granted to wines and spirits in TRIPS.

4.3.1.3 Enforcement

Annex VI also provides for opposition procedure\(^ {515}\), civil remedies\(^ {516}\) and criminal penalties\(^ {517}\) for infringement. Opposition must be within six months from the publication of the registration of a geographical indication and must be based on infringement of provisions of art. 5 (that the geographical indication is excluded from protection) and art. 6 (that the applicant is not entitled to apply for registration of the geographical indication) or that the opposing party has a prior right\(^ {518}\). Article 14 provides for cancellation and modification of a registration at the request of an interested person or a competent authority. Cancellation is on the grounds that the indication does not comply with art. 5\(^ {519}\) and modification is on the grounds that the geographical area referred to in the registration does not correspond to the geographical indication or that the product or the quality, reputation or other characteristic of the product has been omitted or is not justified\(^ {520}\).

Producers or consumers can instigate civil action against persons making unlawful use or contributing to the unlawful use of a geographical indication\(^ {521}\). Relief is intended to prohibit unlawful use or prohibit imminent unlawful use and to destroy labels and documents

\(^{514}\) Bangui Agreement, Annex VI, art. 15 (3). The language incorporated in this provision is also similar to that of art. 3 of the Lisbon Agreement, which prohibits the use of an appellation of origin in a translation form or accompanied by terms such as ‘kind’, ‘type’, ‘make, ‘imitation’ or the like.

\(^{515}\) Bangui Agreement, Annex VI, art. 12.

\(^{516}\) Bangui Agreement, Annex VI, art. 16.

\(^{517}\) Bangui Agreement, Annex VI, art. 17.

\(^{518}\) Bangui Agreement, Annex VI, art. 12 (1).

\(^{519}\) Bangui Agreement, Annex VI, art. 14 (1)(a).

\(^{520}\) Bangui Agreement, Annex VI, art. 14 (1)(b).

\(^{521}\) Bangui Agreement, Annex VI, art. 16 (1).
which contribute to the unlawful use. Any person who has suffered damage as a result of the unlawful use may require compensation. Article 17 stipulates the criminal penalties for unlawful use; imprisonment for a period of not less than three months but not more than one year as well as a fine.

4.3.2 Pan-African Intellectual Property Organization (PAIPO) and the African Union (AU) Continental Strategy for Geographical Indications

ARIPO and OAPI each provide a framework for harmonisation of the intellectual property laws of their respective member states. In 2017 the two organisations signed a four year cooperation agreement. However, the main challenge is what Kongolo identifies as a mere transposition of international protection regimes without the necessary nuances to address the development needs of African countries. Mupangavanhu adds that ‘the existing sub-regional organizations cannot effect the revolutionary reforms needed due to geographical limitations and lack of continental inclusiveness’. It has been argued that having a single African IP organisation will further the interests of African countries and in addition, a harmonisation of the trademark system bringing together ARIPO and OAPI has been suggested. The Pan-African Intellectual Property Organization (PAIPO) is an attempt at greater cooperation and harmonisation of IP norms.

522 Bangui Agreement, Annex VI, art. 16 (2).
523 Bangui Agreement, Annex VI, art. 16 (3).
524 Bangui Agreement, Annex VI, art. 17.
527 Mupangavanhu op cit note 432 at 3, adds that AR IPO and OAPI are not attached to the AU which probably explains why harmonisation of the two organisations has been difficult and why they have not attracted wider membership from other African countries.
528 Nwauche op cit note 424 at 137, argues that a single IP system is desirable for Africa in accordance with the objective of establishing a single common market.
530 C Ncube and E Laltaika ‘A new intellectual property organization for Africa’ (2013) 8 (2) Journal of Intellectual Property Law and Policy 114-117 at 115. Mupangavanhu op cit note 432 at 23 cautions that PAIPO should not become a replica of former IP organisations and should rather be independent of the two regional organisations to avoid duplication of functions.
531 PAIPO Statute, art. 4 (a).
The Statute of the Pan-African Intellectual Property Organisation established PAIPO in art. 2 as a specialised agency of the African Union, with the mandate to promote effective use of the IP system as a tool for economic, cultural, social, and technological development and setting IP standards that reflect the needs of the African Union. Among the functions of PAIPO in art. 4 is to; harmonise intellectual property standards that reflect the needs of the AU, its’ member states and regional economic communities, ARIPO and OAPI; promote the harmonisation of intellectual property systems of its member states with particular regard to protection, exploitation, commercialisation and enforcement of intellectual property rights.

The PAIPO Statute does not contain any substantive provisions on trademarks and geographical indications, it however mentions geographical indications as an area where PAIPO shall provide a forum for policy discussion and formulation to establish a common position. Against this backdrop, it is worth reflecting here on the African Union’s Continental Strategy for Geographical Indications: 2018-2023 (AU Continental Strategy).

Prepared by the AU’s Department of Rural Economy and Agriculture with assistance from regional economic organisations and technical and development partners, the AU Continental Strategy provides a roadmap and guidance to the AU, regional economic organisations and regional institutions on geographical indication matters to contribute to sustainable rural development. As espoused in the vision in s 3.1, the AU Continental Strategy underscores the need to foster sustainable rural development and food security. This implies that there are potential geographical indication products within the rural setting.

Several studies highlight potential geographical indications in Africa; for instance, Chinedu et

532 PAIPO Statute, art. 3. For a detailed discussion on PAIPO see Mupangavanhu op cit note 432, Ncube & Laltaika op cit note 530 at 114-117.
533 Mupangavanhu op cit note 432 at 10, notes that these conflict with the mandates of ARIPO and OAPI in regard to harmonisation and the provision of common administrative services. The intention is therefore harmonisation at a continental level but the practicality of that may be challenging as the regional IP organisations operate differently.
536 Though the focus is on rural development, the intended beneficiaries have no knowledge or limited knowledge about these distinctive signs and the value chain processes. The producers are in remote areas and may also be marginalised hence they are not aware of the economic opportunities of the products, see S Musungu ‘The protection of geographical indications and the Doha Round: strategic and policy considerations for Africa’ (2008) QUNO IP Issue Paper 8 1-33 at 11, I John, H Egelyng and R Lokina ‘Tanzanian food origins and protected geographical indications: future of food’ (2016) 4 (2) Journal on Food, Agriculture and Society 6–12, Chinedu et al op cit note 11 at 91. The case study in Chapter 7 delves more into this aspect.
al identify 145 products in Sub-Saharan Africa, which include foodstuff, handicraft, and traditional specialties but excluding wines and spirits.\(^{537}\)

The AU Continental Strategy contains six outcomes: geographical indications contribution to sustainable rural development and food security, enabling legal and institutional frameworks at national and regional level, the development and registration of pilot products to provide learning and demonstrative effects, market development through innovative approaches on local markets regional trade among RECs and on export markets, research, training and extension programs to ensure identification, development and diffusion of best tailored practices and to contribute to African approach in the context of climate change and awareness of all stakeholders, including consumers, is created and diffusion to wider audience.\(^{538}\)

It outlines biocultural, social, economic, and legal values around geographical indications.\(^{539}\) Among the economic considerations is increase the economic values of local products through market development and increased market access, support fair distribution of economic values, and promote the marketing of local and typical African products. On biocultural values it outlines, among others, preserving and promoting African food and handicraft product and promoting traditional and indigenous knowledge. On social values it outlines, among others, support the empowerment of vulnerable groups, particularly smallholders, women and youths and promote knowledge and reputation of African geographical indication products. On the legal values, the AU Continental Strategy outlines that geographical indications encourage efficient public-private dialogue, coordination, and partnerships, enhance coherence and synergies among polices, among others.

The AU Continental Strategy also envisages internal coherence (drawing from experiences within regional institutions like OAPI and ARIPO) and external coherence (coordination with stakeholders at the international level like UN agencies and donor partners).\(^{540}\) It is important to note the role that different organisations have played in developing geographical indications on the continent. Technical assistance has been received from organisations such as the Food and Agricultural Organisation (FAO) and United Nations Conference on Trade and Development (UNCTAD), countries like France, Switzerland and

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\(^{537}\) Chinedu et al op cit note 11 at 87 and Kireeva & O’Connor op cit note 11.

\(^{538}\) AU Continental Strategy, s 3.7.

\(^{539}\) AU Continental Strategy, s 3.4.

\(^{540}\) AU Continental Strategy, s 3.5.
81
the UK, regional cooperation organisations like the EU and research institution such as
CIRAD. The EU is a key supporter for geographical indications. It has offered support to
several developing countries including African countries541, and France supported the
identification and development of potential products and some of these activities led to the
registration of the first three geographical indications registered under OAPI542.
The AU Continental Strategy also contains a review of the national approaches to
geographical indication protection on the continent. It shows that African countries have
different approaches to protecting geographical indications, i.e., laws regulating business
practices, trademark law and special means of protection543 .

African Countries Protection of Geographical Indications
Sui Generis

Algeria, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape
Verde, Central African Republic, Chad, Comoros, Congo,
Democratic Republic of Congo, Djibouti, Egypt, Equatorial
Guinea, Gabon, Guinea, Guinea-Bissau, Cote d’Ivoire, Mali,
Mauritania, Mauritius, Mozambique, Niger, Rwanda, Sao Tome
and Principe, Senegal, Seychelles, Sudan, Togo, Tunisia,
Zimbabwe

Trademark

Angola, Eritrea, Ethiopia, Gambia, Kenya, Lesotho, Liberia, Libya,
Madagascar, Malawi, Namibia, Nigeria, Sierra Leone, Somali
Republic, South Africa, Swaziland, Tanzania

Source: AU Continental Strategy on Geographical Indications

4.4 Conclusion
The two African regional IP organisations, ARIPO and OAPI have different approaches
to administering IP for their member states. In the context of trademarks, ARIPO has a central
trademark filing system but only countries that have ratified the Banjul Protocol on Marks use
the service. It does formal examination of applications for registration of trademarks, with
designated national offices undertaking the substantive examination in terms of national law.
The situation under OAPI is different as it has a uniform IP system; Annex III of the Bangui
541

Mengistie & Blakeney op cit note 534 at 212.
Chabrol et al op cit note 12 at 68-81
543
As discussed in chapter 2, section 2.5.
542


Agreement provides for substantive and procedural aspects for trademarks and registration is effective in all the member states. Annex III of the Bangui Agreement offers a definition of trademark which mirrors TRIPS and provides that any visible sign shall be considered a trademark. This is unlike TRIPS which makes it optional for members to require that a sign be visibly perceptible for registration. The Banjul Protocol on Marks contains a use requirement stipulating that an application must contain a declaration of actual use of the mark or a declaration of intention to use the mark, under TRIPS it is optional for members to make registrability depend on use.

The independence of marks and right of priority as contained in the Paris Convention are also incorporated in the Banjul Protocol of Marks and Annex III of the Bangui Agreement includes only the right of priority. Annex III of the Bangui Agreement protects well known marks within the meaning of the Paris Convention and TRIPS, and collective marks as provided for in the Paris Convention. In compliance with international treaties, the classification for goods and services, under both the Banjul Protocol on Marks and Annex III of the Bangui Agreement, is in terms of the classification system established by the Nice Agreement. Though the TRIPS Agreement confers the exclusive right to prevent unauthorised use by third parties, Annex III of the Bangui Agreement confers the exclusive right to use the mark and extends to a sign resembling the mark, and the exclusive right to prevent unauthorised use of identical or similar signs for similar goods or services for which the trademark is registered where such use is liable to cause confusion.

In the context of geographical indications only OAPI provides a regional legal framework in Annex VI of the Bangui Agreement. It adopts the definition contained in TRIPS and the scope of protection encompasses any natural, agricultural, craft or industrial product, and incorporates the higher level of protection as afforded to wines and spirits, prohibiting the use of a geographical indication in a translation form, or accompanied by terms “kind”, “type”, “style”, “imitation” or the like’, to all products not just wines and spirits. However, in the case of a conflict with a prior trademark relating to wines and spirits, the later geographical indication will triumph over the earlier trademark, echoing the higher level protection afforded in TRIPS. Though TRIPS provides that the legal means of protection for geographical indication shall be afforded to interested parties, Annex VI of the Bangui Agreement goes a step further by allowing consumers to apply for registration of a geographical indication.
Scholars have argued that it is in the interest of Africa to have a single IP organisation. The efforts towards IP harmonisation on the continent have seen the establishment of PAIPO by the AU. Though it currently has not been fully implemented, discussions around a common position on geographical indications have been given impetus with the AU Continental Strategy. This said, countries in Africa have already opted for different legal means to protect geographical indications, and it may thus be ambitious to create a harmonised system. However, recognising which products could yield better results for African countries, in terms of economic, social, and cultural benefits, and setting up the appropriate legal and institutional framework is an endeavour worth pursuing. The next chapter examines the current legal frameworks for protecting geographical indications in the two study countries in Africa, Zimbabwe, and South Africa.
Chapter 5 - Trademarks and Geographical Indications Protection in Zimbabwe and South Africa

5.1 Introduction

Zimbabwe and South Africa are two countries where small scale producers could benefit from using distinctive signs for their products and services. This chapter explores the legal regimes for trademarks and geographical indications protection in the two study countries. Broadly, both countries provide trademark protection in terms of statute and common law. Zimbabwe has sui generis protection for geographical indication, while South Africa affords protection in terms of its trademark system and other laws regulating business practices. The trademark statutes of Zimbabwe and South Africa closely follow the TRIPS Agreement definition of trademark as will be discussed in this chapter. Zimbabwe’s geographical indication statute also mirrors the provisions of the TRIPS Agreement.

5.2 Zimbabwe

Trademark protection exists in terms of the Trade Marks Act (the Act) and the common law. The Trade Marks Act, enacted in 1974 and last amended in 2001, is the governing legislation and is implemented by the Trade Mark Regulations. There are other statutes that have a bearing on trademarks; Brands Act, Competition Act and Merchandise Marks Act. Zimbabwe is party to the Madrid Protocol, as such international trademark registrations are enforceable in the country. It is also party to ARIPSO’s Banjul Protocol and the Trade Marks Act gives national effect to trademark registrations under the Banjul Protocol.

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544 As will be discussed in chapter 6.
545 (Chapter 26:04).
546 Trade Marks Amendment Act, 2001. The amendments have however not as yet been incorporated directly into the text of the Trade Marks Act to make a single consolidated text and the two pieces of legislation are read together.
548 (Chapter 19:03).
549 (Chapter 14:28).
550 (Chapter 14:13).
551 Zimbabwe acceded to the Madrid Protocol on 11 March 2015.
553 Section 97A (3).
Administrative duties on registration are the mandate of the Registrar of Trade Marks\(^{554}\) at the Zimbabwe Intellectual Property Office (ZIPO). The main functions of ZIPO are registration and grant of IP rights, and the maintenance of the registers of the IP rights. ZIPO falls under the Ministry of Justice, Legal and Parliamentary Affairs.

5.2.1 Statutory protection under the Trade Marks Act (Chapter 26:04)

A trademark is defined as ‘a mark which is used or proposed to be used in relation to goods or services for the purpose of

(a) indicating a connection in the course of trade between the goods or services and some person having the right, either as proprietor or as registered user, to use the mark, whether with or without any indication of the identity of that person; and

(b) distinguishing the goods or services in relation to which the mark is used or proposed to be used, from the same kind of goods or services connected in the course of trade with any other person; but does not include a certification mark’.\(^{555}\)

The definition encompasses the two main functions of a trademark: indicating commercial origin and distinguishing goods or services. It complies with the provisions of art. 15 (1) of TRIPS, specifically any ‘sign’, ‘capable of distinguishing’\(^{556}\). The mark must either be used or there must be an intention to use the mark at the time of registration. The Trade Marks Act also defines mark as ‘any sign which can be represented graphically and is capable of distinguishing the goods or services of one undertaking from those of other undertakings’\(^{557}\).

The Trade Marks Act also provides protection for well-known marks in s 9E, which are referred to as familiar foreign marks. The provision was introduced in 2001 to ensure compliance with art. 16 (2) of TRIPS\(^{558}\). Protection is afforded to well-known marks of nationals of a country that is a member of the Paris Convention, persons domiciled in or have a real industrial or commercial establishment in a country that is a member of the Paris

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\(^{554}\) Section 3 (3).

\(^{555}\) Section 2 (1).

\(^{556}\) See discussion in chapter 3, section 3.2.5.

\(^{557}\) Section 2 (1).

\(^{558}\) The provision was introduced by s 6 of the Trade Marks Amendment Act.
Convention, whether or not such a person carries on business or has any goodwill in Zimbabwe\textsuperscript{559}.

The proprietor of a well-known mark may prohibit the use of a trademark which constitutes a reproduction, imitation, or translation of the well-known mark where the conflicting mark relates to identical or similar goods or services for which the mark is well-known and such use is likely to deceive or cause confusion\textsuperscript{560}. The same applies where the essential part of the conflicting mark constitutes a reproduction, imitation, or translation of the well-known mark\textsuperscript{561}. Protection also extends to dissimilar goods or services to those of the proprietor of the well-known mark where use of the conflicting mark would indicate a connection between the dissimilar goods or services to those of the proprietor of the well-known mark and would harm the interests of such proprietor\textsuperscript{562}. However, with respect to dissimilar goods or services, the well-known mark must be registered as a trademark in the country concerned\textsuperscript{563}. The proprietor of a well-known mark must apply for the registration of the mark in Zimbabwe within a month of instituting infringement procedures\textsuperscript{564}.

5.2.1.1 Substantive requirements for registration of a trademark

A mark can be registered in four categories of the register: Part A (distinctive marks), Part B (marks capable of distinguishing), Part C (certification marks) or Part D (defensive marks)\textsuperscript{565}. Distinctive marks are registered in Part A, marks capable of distinguishing are registered in Part B, certification marks in Part C and defensive marks in Part D. Distinctiveness is a requisite to be registered in Part A\textsuperscript{566} and the trademark must be, a name represented in a special manner; signature; invented word(s); word with no reference to character of goods or service; or any other distinctive mark\textsuperscript{567}. The Act defines distinctive as apt to distinguish\textsuperscript{568} and distinctiveness can be inherent or by reason of use of the mark or any

\textsuperscript{559} Section 9E (1).
\textsuperscript{560} Section 9E (2) (a).
\textsuperscript{561} Section 9E (2) (a).
\textsuperscript{562} Section 9E (2) (b)(i) and (ii).
\textsuperscript{563} Section 9E (2) (b)(iii).
\textsuperscript{564} Section 9E (3).
\textsuperscript{565} Section 5 (2).
\textsuperscript{566} Section 12.
\textsuperscript{567} Section 12 (1) (a) to (e).
\textsuperscript{568} Section 12 (2).
other circumstances that have made the mark become distinctive\textsuperscript{569}. In terms of s 12 (6) a trademark can be registered in Part A of the Register even if it is registered in Part B.

For registration in Part B, a trademark must be capable of distinguishing\textsuperscript{570} and in ascertaining this, the Registrar may have regard to the extent to which, by reason of the use of the trademark or of any other circumstances, the trademark is in fact capable of so distinguishing or is capable of becoming distinctive\textsuperscript{571}. In terms of s 13 (4) a trademark may also be registered in Part B even though it is registered in Part A. This is because distinctiveness can also be capability to distinguish.

Certain marks are prohibited from registration, and these include those which are: likely to deceive or cause confusion; contrary to law; contain scandalous matter; prescribed to be a prohibited mark in terms of law; and marks not entitled to protection in a court of law for any other reason\textsuperscript{572}. A trademark will also not be registered where it is identical to that of a registered trademark in respect of the same goods or services; or where it so nearly resembles a registered trademark in respect of the same goods or services as to likely deceive or cause confusion\textsuperscript{573}.

Intention to use the mark is a requirement for registration and a trademark may be removed from the register on the grounds that there was no bona fide intention to register and use the trademark\textsuperscript{574}. Use of the mark is construed as a reference to the use of a printed or other visual representation of the mark or distinguishing feature and where the mark is capable of being audibly reproduced, as use of an audible reproduction of the mark\textsuperscript{575}.

5.2.1.2 Formal requirements for registration

An application for registration is filed with the Registrar of Trade Marks based at ZIPO. Application for registration is made in terms of s 21. For the purposes of registration goods

\textsuperscript{569} Section 12 (3).
\textsuperscript{570} Section 13 (1).
\textsuperscript{571} Section 13 (2).
\textsuperscript{572} Section 14 (1)(a) to (e).
\textsuperscript{573} Section 15 (1)(a) and (b). Mupangavanhu op cit note 529 at 104, states that the difference between an “identical” mark and a mark that “resembles” a registered mark, is that “a mark that is ‘identical’ is a mark that is exactly the same as the registered mark while a mark that is ‘nearly resembling’ the registered mark will have similar features”.
\textsuperscript{574} Section 31 (1)(a).
\textsuperscript{575} Section 2 (2). \textit{Kellog Co v Cairns Foods Ltd} 1997 (2) ZLR 230 (S) at 235.
and services are classed into 45 classes in accordance with the Nice classes\textsuperscript{576}, and a trademark is registered for a particular class depending on the product or service\textsuperscript{577}.

The application is filed in the prescribed form\textsuperscript{578} and the Registrar conducts a substantive examination of the application to determine whether the proposed mark is capable of distinguishing and whether it conflicts with existing trademarks. A situation may arise where an applicant seeks to register a trademark and the Registrar advises that the proposed trademark is confusingly similar to a registered trademark. Though s 15 (1) prohibits the registration of identical or similar marks, if the applicant can show that its’ use of the proposed trademark prior to the application has been honest, the Registrar may allow the registration of such a trademark. This is known as honest concurrent use\textsuperscript{579}. It is permitted, subject to such conditions or limitations as the Registrar may impose\textsuperscript{580}.

An application is advertised in the Patent and Trade Marks Journal\textsuperscript{581} and within two months of the date of advertisement, interested parties may oppose the application\textsuperscript{582}. Opposition is made to the Registrar and the procedure for opposition is outlined in the Act and the Regulations\textsuperscript{583}. If there is no opposition the trademark is registered, and the applicant issued a certificate of registration\textsuperscript{584}. The filing date of the application is deemed to be the date of registration\textsuperscript{585}.

5.2.1.3 Rights conferred and duration of protection

The proprietor of a trademark has the right to use the mark in relation to goods or services for which the trademark is registered and to exclude others from using the trademark. This complies with art. 16 (1) of TRIPS which provides for the exclusive right to prevent use of a mark that is identical or similar to the registered trademark on identical or similar goods or services where such use would likely cause confusion.

\textsuperscript{576}Zimbabwe is not party to the Nice Agreement though it has incorporated the international classification in the Third Schedule of the Trade Marks Regulations, Statutory Instrument 170 of 2005. Trade Marks Act, s 7 as read with Trade Mark Regulations, reg. 3.
\textsuperscript{577}Section 7 (1).
\textsuperscript{578}Trade Marks Act, s 21 (1)(b) and Trade Mark Regulations, reg. 11.
\textsuperscript{579}For further discussion see W Alberts ‘The honest concurrent use of a trade mark’ (2006) 14 (1) Juta's Business Law 24-26.
\textsuperscript{580}Section 15 (2).
\textsuperscript{581}Trade Marks Act, s 22 (1) and Trade Mark Regulations, reg. 23 (1).
\textsuperscript{582}Trade Marks Act, s 22 (2) and Trade Mark Regulations reg. 24 (1).
\textsuperscript{583}Trade Marks Act, s 22 (3) to 22 (10) and Trade Mark Regulations, reg. 24 to 35.
\textsuperscript{584}Section 23 (2).
\textsuperscript{585}Section 23 (1).
A trademark holder has the right to assign the mark to third parties\(^{586}\). A trademark may be assigned with or without the goodwill of the business concerned in the goods or services in respect of which the trademark is registered\(^{587}\). This reflects the provisions of art. 21 of TRIPS. The assignment may also be in respect of all the goods or services for which the trademark is registered or some of the goods or services\(^{588}\). A person entitled by assignment or transmission to the registered trademark must apply to the Registrar to register their title and be entered in the Register as proprietor of the mark\(^{589}\).

The duration of trademark protection is ten years\(^{590}\) and it can be renewed for further ten year periods from the expiration of the last registration\(^{591}\). TRIPS art. 18 provides seven years as the minimum term of protection. The Act provides for a grace period of six months for late payment of the renewal fee\(^{592}\).

5.2.1.4 Infringement and remedies

A trademark is infringed by ‘any unauthorised use in the course of trade, whether as a trademark or otherwise, of a mark that is identical to the registered trademark or so nearly resembling it as to be likely to deceive or cause confusion, where that mark is used in relation to the same goods or services as those in respect of which the trade mark is registered’\(^{593}\). There are three elements to infringement; unauthorised use as a trademark or otherwise; identical or resembling mark likely to deceive or cause confusion; and same or similar goods or services.

On the element of use as a trademark or otherwise, the court in *Kellogg Co v Cairns Foods Ltd*\(^{594}\) stated that use as a trademark means use as defined in the Act, that is, use of the mark to indicate a trade connection between the goods and the person having the right to use the mark\(^{595}\). There is a presumption that a mark is likely to deceive or cause confusion where it is identical to a registered trademark and used as a trademark in respect of the same goods.

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\(^{586}\) Section 27 (1).
\(^{587}\) Section 27 (1).
\(^{588}\) Section 27 (2).
\(^{589}\) Section 29 (1).
\(^{590}\) Section 24 (1).
\(^{591}\) Section 24 (2).
\(^{592}\) Section 24 (3).
\(^{593}\) Section 8 (1).
\(^{594}\) Supra note 575.
\(^{595}\) Supra note 575 at 235.
or services. Though the court has not had occasion to adjudicate what constitutes use ‘otherwise’, it covers uses that do not fall within the stated definition of trademark in the Act, and this includes, use as the name of the name of goods or services; use for purposes of comparison; use to indicate the user’s place of business; or use as a badge of allegiance.

The infringing mark must also be identical or resemble the registered trademark as to be likely to deceive or cause confusion. The test for infringement is an objective one and there is a comparison between the registered trademark and the infringing mark to determine whether there is sufficient similarity likely to cause confusion. There are perhaps two cases that considered this aspect in greater detail: *Unilever PLC and Another v VIMCO (Pvt) Ltd and Another* and *Kellogg Co v Cairns Foods Ltd*. In the former the court considered the visual similarity of the marks and in the latter, the visual and phonetic similarity of the marks.

In *Unilever PLC and Another v VIMCO (Pvt) Ltd and Another*, the first applicant sought an order to interdict the respondents from infringing its’ registered trademark ‘VIM’ for a cleaning and scouring product, contending that the first respondent’s use of the trademark ‘VIMCO’ was so similar to its’ registered trademark as to likely deceive or cause confusion. The court assessed the way the mark was depicted on the products of the parties, which were both cleansing and scouring powder, and found that the first respondent’s ‘VIMCO’ mark did not bear any other feature that was descriptive of its product to sufficiently differentiate it from the ‘VIM’ product and was therefore likely to deceive or cause confusion. In *Kellogg Co v Cairns Foods Ltd*, the parties were manufacturers of breakfast cereal, the applicant under the trademark ‘Froot Loops’ and the respondent under the trademark ‘Fruit Hoops’. In determining the case the court indicated that the words be looked at in isolation and found that they were similar both visually and phonetically, froot/fruit and loops/hoops.

The element of use in relation to same or similar goods was considered in *Zimbabwe Gelatine (Pvt) Ltd v Cairns Foods (Pvt) Ltd*. The case involved two manufacturers of dog

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596 Section 8 (6). This provision mirrors TRIPS Agreement, art. 16 (1) which states that in case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.


598 Supra note 575 at 236.

599 2004 (2) ZLR 253 (H).

600 Supra note 575.

601 Supra note 599 at 257.

602 Supra note 575 at 238.

603 2003 (1) ZLR 352 (S).
food products. The appellant contested a decision of the High Court interdicting its’ use of the word ‘Kibbles’ on its dog food packaging on the basis that ‘Kibbles’ was a registered trademark of the respondent on its’ dog food products. The Supreme Court of Appeal, upholding the decision of the High Court, stated that where a trademark is registered, persons who purchase the goods associate those goods with the owner of the trademark, and any use of the trademark on goods other than those of the owner of the trademark amounts to misrepresentation\(^{604}\). The court compared the packaging of the appellant’s product to that of the respondent and found that it was easy for a customer to mistake the appellant’s products as being either the same or related to or from the same source as that of the respondent’s product\(^{605}\).

Infringement proceedings can only be instituted for a registered trademark, the relief for an unregistered trademark is available at common law under passing off\(^{606}\). The Act provides that the proprietor or registered user of a trademark can institute infringement proceedings\(^{607}\). The available relief for infringement of trademarks include damages, interdict, attachment, the rendering of account, delivery up of infringing goods and the devices used to mark the goods\(^{608}\). In addition, where one intends to institute infringement proceedings and there is a fear that the infringing goods or devices may be destroyed before the matter is heard in court, one can apply for an Anton Piller order\(^{609}\) which is aimed to preserve evidence.

5.2.2 Protection of certification and collective marks

The Trade Marks Act defines certification mark as a mark that distinguishes goods or services certified by any person in respect of origin, material, mode of manufacture or performance, quality, accuracy or any other characteristic from goods or services not so certified\(^{610}\). An example of a certification mark in Zimbabwe is the Standards Association of Zimbabwe (SAZ) mark. Some professional associations also have certification marks for example the Institute of Chartered Accountants of Zimbabwe and the Zimbabwe Professional Hunters and Guides Association.

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\(^{604}\) Supra note 603 at 354.
\(^{605}\) Supra note 603 at 355.
\(^{606}\) Section 6.
\(^{607}\) Section 9A (1).
\(^{608}\) Section 9A (2).
\(^{609}\) Section 9D.
\(^{610}\) Section 42 (1).
Certification marks are registered in Part C of the register. However, a certification mark cannot be registered in the name of a person who carries on trade in the goods or services of the kind certified. Application for the registration of a certification mark is done by the person proposed to be registered as the proprietor and shall contain the rules for governing the use of the certification mark. The rights acquired by registration of a certification mark are the same as those for a trademark and the provisions of the Act equally apply. However, a certification mark cannot be assigned or transmitted without the consent of the Registrar who may grant consent subject to any terms and conditions the Registrar deems fit.

The Trade Marks Act provides for collective marks, defined as ‘a mark that is capable of distinguishing, in the course of trade, goods or services of persons who are members of an association from goods or services of persons who are not members of the association.’ An application for a collective mark is done by the association and the procedure for application and registration is the same as that for a trademark. The Act, however, does not require that the rules for use of the collective mark be submitted when applying for registration. The rights acquired, duration and renewal are also the same as those for a trademark. Though, unlike with a certification mark, the Act is silent on assignment of a collective mark.

5.2.3 Common law trademark protection

Unregistered trademarks are protected under common law, the proviso to s 6 also provides the right at common law to bring an action against any person for unlawful competition or passing off goods or services as those of another. Unlawful competition constitutes activities that take unfair advantage of or are prejudicial to a competitor and may give rise to delictual liability. Feltoe sums up the purpose of passing off as ‘to protect a

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611 Section 5 (2)(c).
612 Proviso to s 42 (1).
613 Section 44 (1) and (2).
614 Section 43.
615 Section 48.
616 Section 100A (1). Prior to 2001 there was no protection of collective marks, the provision was introduced by s 20 of the Trade Marks Amendment Act.
617 Section 100A (2).
618 Section 100A (3).
619 Section 100A (3).
business against misrepresentation by D that his business, goods or services is that of P or associated therewith\(^{620}\).

The owner of an unregistered trademark may make a claim for passing off where there is unauthorised use of the trademark. The delict of passing off is however, only committed in relation to a business that has acquired goodwill or reputation\(^{621}\). That means the business must have attributes that attract customers, and the public has a perception of the goods or services that are associated with the business. The key element to succeed in an action of passing off are that the plaintiff must show that its’ business has acquired goodwill or reputation, that there has been misrepresentation and that it has suffered damage because of the misrepresentation\(^{622}\). The mere fact that a trade name is famous does not mean that a business has reputation, the plaintiff must prove that it has acquired reputation in its’ trading name\(^{623}\).

5.2.4 Statutory protection of geographical indications under the Geographical Indications Act (Chapter 26:06)

Zimbabwe has a *sui generis* law for protecting geographical indications, the Geographical Indications Act (Chapter 26:06) (the Act), which was enacted in 2001. Prior to the Act, geographical indications were protectable under trademark law (as certification and collective marks), consumer protection laws and common law. Protection under consumer protection laws include the Merchandise Marks Act (Chapter 14:13) which prohibits the application of false trade description and the sale of goods bearing false trade description\(^{624}\). With the enactment of the Geographical Indications Act, statutory protection is now available under trademark law, consumer protection laws and the *sui generis* regime\(^{625}\).

Section 2 of the Act defines geographical indication as ‘an indication, however expressed, which identifies a product as originating in a particular area, where some quality, reputation or other characteristic of the product is essentially attributable to its geographical


\(^{621}\) Ibid.

\(^{622}\) Supra note 603 at 355.

\(^{623}\) *F.W Woolworth and Company Zimbabwe (Pvt) Ltd v The Store and Another* 1998 (2) ZLR 402 (S) at 405.

\(^{624}\) Merchandise Marks Act, s 3 and 4.

\(^{625}\) Nyakotyo op cit note 17 at 191. The Geographical Indications Act has not yet been used for the registration of local Zimbabwean products and there is no information publicly available on whether foreign geographical indications have been registered in the country in terms of this legislation. The analysis of the Geographical Indications Act in this section of the thesis is, to the researcher’s knowledge, the first piece of academic work to engage with the legislation in some length.
origin’. The definition closely mirrors the one in art. 22 (1) of the TRIPS Agreement. The Act defines ‘product’ as any natural, agricultural, handicraft or industry product.

An application for the registration of a geographical indication may be made by a person who sells or manufactures, imports or exports, for sale, a product to which a geographical indication is applied or is to be applied; who consumes or used a product to which the geographical indication is applied or to be applied; any organisation that represents or furthers the interests of such persons. The provision encompasses a broad range of possible applicants.

The application for registration must specify the product or products to which the geographical indication is to be applied and the quality, reputation or characteristic of the product which is attributable to its geographical origin. Registration may be opposed on the following grounds: that the applicant is not entitled to lodge the application; the application does not specify the details of the applicant, the product or the unique characteristics of the product concerned; the indication proposed is not a geographical indication as defined in s 2; and the geographical indication would be contrary to public order or morality. In the case of a foreign geographical indication, application may be opposed on the ground that it is not protected or has ceased to be protected in the country of origin or fallen into disuse.

The Act endeavours to strike a balance between a prior trademark and a later geographical indication registration and saves the right to use in certain circumstances. The registration of a trademark that is identical or similar to a geographical indication, may remain valid if the application for the trademark was made in good faith before the Act came into force or before the geographical indication was protected in the country of origin. The Act also recognises prior use of an unregistered trademark that is identical or similar to the geographical indication, if such right to use was acquired in good faith before the Act came into force or before the geographical indication was protected in the country of origin.

Names that have become customary or common description of a product, even if identical to

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626 Section 2
627 Section 16 (a) to (c).
628 Section 17 (1)(a)(iii) and (iv).
629 Section 18 (2).
630 Section 18 (2).
631 Section 45 (3)(a).
632 Section 45 (3)(b).
a geographical indication may continue to be used\textsuperscript{633} and personal names, unless the name may likely mislead the public\textsuperscript{634}.

A geographical indication is considered applied to a product where the product or its package is marked with or contains the geographical indication; or the geographical indication is used in any advertisement for the product; or it is used in any manner to suggest a connection between the product and the area of origin\textsuperscript{635}. It is prohibited to apply a misleading geographical indication to any product\textsuperscript{636} or to sell, import or export or manufacture any product if a misleading geographical indication is applied to the product\textsuperscript{637}. In terms of s 3 (1) a geographical indication is considered misleading when applied to a product or in relation to a product where it,

1. suggests that the product originates in an area other than its true area of origin;
2. misleads the public as to the area of origin of the product;
3. if its application to or in relation to the product constitutes unlawful competition;
4. in the case of a wine or spirit, it is applied to a wine or spirit that does not originate in the suggested area, even if the true origin of the wine or spirit is indicated; or it is used in translation; or accompanied by an expression such as ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like.

A geographical indication is also regarded as misleading if it misrepresents to the public that the product originates in an area other than the product’s true origin where it is literally true as to the area in which the product originates\textsuperscript{638}. This is a case of homonymous indications, where a similar name exists in two different countries. In ascertaining whether a geographical indication is misleading, regard is made to the general understanding of the relevant consumers or users of the product\textsuperscript{639}.

Any interested person may institute proceedings for infringement of a geographical indication\textsuperscript{640}. The Act defines an interested person to include anyone who sells, manufactures,
imports or exports for sale the same product or a substantially similar product or any product to which the same or a substantially similar geographical indication is applied; any person who consumes or uses the product; the person who sought registration for the geographical indication; or a representative\(^641\). The scope of what constitutes an interested person is therefore broad to cover most relevant stakeholders.

The remedies for infringement, just like those under trademarks include interdict, damages, attachment or otherwise, that is available in respect of the infringement of any proprietary right\(^642\). The Anton Piller order remedy is also available to preserve evidence where a trial is anticipated\(^643\).

5.3 South Africa

Like Zimbabwe, protection of trademarks in South Africa is available under common law and under statute. The governing legislation is the Trade Marks Act 194 of 1993 together with the Trade Mark Regulations\(^644\). There are other statutes that have a bearing on trademarks which include the Business Names Act\(^645\), the Counterfeit Goods Act\(^646\), the Merchandise Marks Act\(^647\) and the Standards Act\(^648\).

The administrative functions for trademarks fall under the Registrar of Trade Marks\(^649\), at the Companies and Intellectual Property Commission (CIPC) which is an agency of the Department of Trade, Industry and Competition. The CIPC is mandated with the registration of companies, cooperatives, and IP rights. It maintains the national register of trademarks.

5.3.1 Statutory protection of trademarks in South Africa under the Trade Marks Act No. 194 of 1993

The South African Trade Marks Act defines trademark as

\(^{641}\) Section 10 (1)(a) to (d).
\(^{642}\) Section 11 (1).
\(^{643}\) Section 14.
\(^{645}\) No. 27 of 1960.
\(^{646}\) No. 37 of 1997.
\(^{647}\) No. 17 of 1941.
\(^{648}\) No. 29 of 2008.
\(^{649}\) Trade Marks Act, s 6 (1).
‘a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person’650.

This definition is in line with art. 15 (1) of TRIPS. It also raises two core issues; that there should be an intention to use the mark in relation to goods or services, and for the purpose of distinguishing651. Where there is no bona fide intention to use the trademark, it is not registrable652 and such intention should be present at the time of application for registration653. The definition of trademark also reiterates the distinguishing function of a trademark and where a mark is not capable of serving this purpose it cannot be registered654.

Though the Act does not spell out a right to use a mark, it outlines activities that constitute use of a mark. Use of a mark is construed as reference to; the use of a visual representation of the mark; in the case of a container, the use of such container; in the case of a mark capable of being audibly reproduced, the use of an audible reproduction of the mark655. Use in relation to goods refers to use on the physical goods or other relation to the goods and, use in relation to services refers to use in any relation to the performance of such services656.

The Act also provides protection for well-known marks in s 35 ensuring compliance with art. 16 (2) of TRIPS. Protection is afforded to well-known marks of persons who are nationals of a country which is a member of the Paris Convention, and persons domiciled in or have an industrial or commercial establishment in such a country657, regardless of whether or not such persons carry on a business or have any goodwill in South Africa658. The proprietor of a well-known mark is entitled to restrain the use of a trademark which constitutes a reproduction, imitation, or translation of the well-known mark659 and the use of a

650 Section 2 (1).
651 Lubbe NO and Others v Millennium Style (Pty) Ltd and Others; Lubbe and Others NNO v Millennium Style (Pty) Ltd 2007 (6) SA 241 (SCA) at 245.
652 Section 10 (4).
653 Arjo Wiggins Ltd v Idem (Pty) Ltd 2002 (1) SA 591 (SCA) at 600.
654 Section 10 (2)(a).
655 Section 2 (2)(a)-(c).
656 Section 2 (3)(a) and (b).
657 Section 35 (1).
658 The case of McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald’s Corporation v Dax Prop CC; McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC 1997 (1) SA 1 (A), set precedence in this regard. For further discussion see OH Dean ‘McDonald’s trade mark: ex Africa semper aliquid novi’ (1996) 12 European Intellectual Property Review 683-691.
659 Section 35 (3).
trademark whose essential part constitutes a reproduction, imitation, or translation of the well-known mark. Protection relates to good or services which are identical or similar to the goods or services in respect of which the mark is well-known and where such use is likely to cause deception or confusion.

5.3.1.1 Substantive requirements for registration of a trademark

To be registered a trademark must be a mark and the Act defines a mark as any sign capable of being represented graphically and this includes a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of these. To be registrable, a trademark must be capable of distinguishing goods or services. A mark is considered capable of distinguishing if it is inherently capable of distinguishing or is capable of distinguishing by reason of prior use. Where a mark has become recognisable or gained reputation due to use in the course of trade it can be registered as being capable to distinguish by reason of prior use.

Whether a mark is capable of distinguishing is a question of fact which must be ‘determined in the light of all the relevant circumstances, particularly the context in which the mark is to be used’. It is a factual inquiry done in two stage; whether the mark, at the date of application for registration was inherently capable of distinguishing the goods or services, and if no, whether the mark is presently so capable of distinguishing by reason of use to date.

In some cases, if a trademark contains matter incapable of distinguishing within the meaning of s 9, the Registrar may require as a condition for registration that the proprietor disclaims any right to the exclusive use of all or a portion of such matter and that the proprietor shall make such other disclaimer necessary for the purpose of defining his rights under the registration.

660 Section 35 (3).
661 Section 35 (3).
662 Section 2 (1).
663 Section 9 (1).
664 Section 9 (2).
665 Van der Merwe et al op cit note 63 at 120. See also On-line Lottery Services (Pty) Ltd v National Lotteries Board (536/08) [2009] ZASCA 86.
666 Beecham Group plc v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA) at 650.
667 Section 15.
Section 10 outlines unregistrable trademarks and these include a mark incapable of distinguishing; a mark which consist exclusively of a sign or indication which designates characteristics for example kind, quality, value, geographical origin, or mode of production; and a mark which consists exclusively of a sign or indication which has become customary\textsuperscript{668}. Marks that consist exclusively of a sign that designates characteristics or intended purpose of the goods or services are descriptive and therefore not capable of distinguishing. However, they can be registered if they have become capable of distinguishing through prior use as at the date of application for registration or when an application for removal from the trademark register is made\textsuperscript{669}.

A mark is also unregistrable if the application for registration was made mala fide\textsuperscript{670}, for example, to frustrate the true proprietor or, if an application were made fraudulently\textsuperscript{671}, and where it is inherently deceptive or if its use would likely deceive, cause confusion, or be contrary to the law or public policy or offensive to any certain group of people\textsuperscript{672}.

A mark which is identical to a registered trademark of a different proprietor or so similar such that use of the mark in relation to goods or services for which registration is sought, and which goods or services are similar to those of the registered trademark and whose use would likely deceive or confuse is also unregistrable\textsuperscript{673}. However, registration of such a similar mark will be permitted if the proprietor of the registered trademark consents to such registration or when there has been honest concurrent use\textsuperscript{674}.

There is no need for actual use of the trademark before registration and proposed use of a trademark by a body corporate yet to be established is allowed\textsuperscript{675}. Though actual use may show reputation or goodwill of a trademark under common law, protection is available from the date of registration and the trademark owner can invest in advertising and marketing to promote the trademark that has never been used. After registration however, non-use may result in the trademark being cancelled\textsuperscript{676}.

\textsuperscript{668} Section 10 (2)(a)-(c). These are not inherently capable of distinguishing, see Cadbury (Pty) Ltd v Beacon Sweets and Chocolates (Pty) Ltd 2000 (2) SA 771 (SCA) 777-778 and Supra note 666 at 650-651.
\textsuperscript{669} Proviso to s 10. Section 10 (7).
\textsuperscript{670} Section 10 (7).
\textsuperscript{671} van der Merwe et al op cit note 63 at 125.
\textsuperscript{672} Section 10 (12). See also Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd 1991 (4) SA 850 and National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd 2001 (3) SA 563 (SCA).
\textsuperscript{673} Section 10 (14).
\textsuperscript{674} Section 14.
\textsuperscript{675} Section 19 (1).
\textsuperscript{676} Section 27 (1). In Turbek Trading CC v A & D Spitz Limited (565/08) [2009] ZASCA 158 at 6, the court noted that trademarks are granted on the basis that there is an intention to use, and this flows from the definition
5.3.1.2 Formal requirements for registration of a trademark

The application for registration is made in the prescribed manner to the Registrar of Trade Marks. For the purposes of trademark registration, goods and services are classified into 45 classes in accordance with the international Nice classification system and the list of classes of goods and services is contained in the Trade Marks Regulations.

The Registrar examines the application to determine whether it is registrable and whether it conflicts with an existing trademark. However, in the case of honest concurrent use or other special circumstances, the Registrar may register, subject to relevant conditions and limitations, a trademark which would otherwise be unregistrable in terms of s 10 (6), (14), (15) and (17). This would be instances where the mark constitutes a well-known mark; is identical or so similar to a registered trademark and therefore likely to deceive or cause confusion; is identical or so similar to an earlier application already before the Registrar; is identical or similar to a trademark already registered and well known in South Africa if use would likely take unfair advantage of or be detrimental to the distinctive character or repute of the registered trademark whether deception or confusion is likely or not. The applicant must however show that their use of the mark has been honest.

When an application has been accepted, the applicant must ensure that the application is advertised in the Patent Journal. The Registrar accepts an application for registration as it is or subject to such amendments, modifications, conditions, or limitations he deems fit.

Within three months from the date of advertisement of the application, interested parties may oppose the application. Should there be any opposition, notice of opposition is made to the Registrar in terms of the procedures set out in the trademark regulations and the Registrar of a trademark in the Act and the fact that they are subject to revocation on the grounds of non-use. The same was echoed in New Balance Athletic Shoe Inc v Djee NO and Others (251/11) [2012] ZASCA 3 at 4, where the court emphasised that trademarks are registered for a proprietor to use, not to just prevent use by third parties.

677 Section 16 (1).
678 Though South Africa is not party to the Nice Agreement, the Trade Marks Act adheres to the international classification system, see Trade Marks Act, s 11 as read with Trade Mark Regulations, reg. 4.
679 GN R578 Schedule 3.
680 van der Merwe et al op cit note 63 at 108, states that South Africa has an examination system, that is there is substantive examination of a trademark application as to whether it complies with both the prescribed formal requirements and substantive requirements for registration, as opposed to a deposit system where an application that complies with the formal requirements is registered.
681 Section 14 (1).
682 Section 36 (1).
683 Section 17 and reg. 18.
684 Section 16 (2)(a) and (b).
685 Section 21.
686 Trade Marks Regulations, reg 19.
has powers to refuse an application\textsuperscript{687}. If there is no opposition, then the trademark is registered, and the Registrar issues a certificate of registration\textsuperscript{688}. The date of lodging of the application for registration is deemed to be the date of registration\textsuperscript{689}.

5.3.1.3 Rights conferred and duration of protection

Registration of a trademark lasts for 10 years and can be renewed for further 10 year periods\textsuperscript{690} and failure to renew may result in the trademark being cancelled\textsuperscript{691}. Article 18 of TRIPS mandates a minimum term of protection of seven years. Trademark registration grants exclusive rights to a proprietor. These rights can be broadly defined as the right to use and the right to prevent use. The trademark owner has the right to use the trademark in relation to goods or services, licence the use of the trademark to other persons, assign the mark to other persons. The right to prevent mirrors art. 16 (1) of TRIPS. The proprietor has the right to restrain unauthorised use of the trademark and to prevent other persons from using an identical or similar mark which would likely deceive or confuse.

A proprietor of a trademark can licence another person to use the trademark\textsuperscript{692}. The licence can be an exclusive or non-exclusive licence. An exclusive licence gives the licensee the authority to use the mark to the exclusion of all other persons, while a non-exclusive licence gives the licensee the authority to use the mark without excluding the right of other users the proprietor may grant licences. The proprietor determines the use of the trademark by the licensee in terms of a licence agreement and such a licensee may be registered as a registered user\textsuperscript{693}. Permitted use of a trademark by a licensee is deemed to be use by the proprietor\textsuperscript{694}. An advantage of being a registered user is that a registered user may institute infringement proceedings in their own name, if the proprietor fails to do so after being requested to institute legal proceedings by the registered user\textsuperscript{695}.

\textsuperscript{687} Section 16 (2)(c) and (d).
\textsuperscript{688} Section 29 (2).
\textsuperscript{689} Section 29 (1)(b).
\textsuperscript{690} Section 37.
\textsuperscript{691} Section 37 (3).
\textsuperscript{692} Section 38 (1). The licensing and transfer of IP to a non-resident is subject to the Exchange Control Regulations, General Notice R1111 of 1 December 1961, as last amended by General Notice R445 in Government Gazette 35430 of 8 June 2012. Approval is required from the South African Reserve Bank or an authorised dealer.
\textsuperscript{693} Section 38 (3).
\textsuperscript{694} Section 38 (2).
\textsuperscript{695} Section 38 (4).
A trademark owner also has the right to assign the mark. The trademark can be assigned or transmitted with or without the goodwill of the business. It mirrors the provision of article 21 of TRIPS. The trademark may also be assigned in respect of all or some of the goods or services. However, if such assignment or transmission would give rise to the likelihood of deception or confusion the trademark may be removed from the register. A person entitled to a trademark by assignment or transmission must apply to the Registrar to register his title and the Registrar shall register him as the proprietor of the mark upon receipt of such proof of title.

A registered trademark may be hypothecated by a deed of security—this means it can be used as security for a debt. The deed of security may be lodged with the Registrar who will endorse the register to that effect and the endorsement shall record the details of the person in whose favour the deed of security had been granted, the nature and duration of the hypothecation. This option to use a trademark as security for debt can be useful in the context of small-scale entrepreneurs. It can be a practical and easier way to use a trademark to secure loans. Usually, smaller businesses struggle to get loans and sometimes they may not have enough collateral to secure a loan. Having proprietary rights that can be used to secure a loan can be a better option and as trademarks may be used as security for debt, this is a possible avenue for small businesses to pursue which will be discussed further in the next chapter.

5.3.1.4 Infringement and remedies

Registration creates a presumption of validity of the trademark registration and of all subsequent assignments and transmissions of the trademark. The Act provides that no person shall be entitled to institute any infringement proceedings to a trademark not registered under the Act. This means that only a proprietor of a trademark registered in terms of the Act can raise an action for infringement of a trademark. However, protection under common

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696 Section 39 (1).
697 Section 39 (2).
698 Section 39 (4).
699 Section 40 (1).
700 Section 41 (1).
701 Section 41 (3).
702 Section 51.
703 Section 33.
law is available for unregistered trademarks and relief can be sought under a claim of passing off. Basically, the Act identifies three types of infringement:

1. unauthorised use of an identical or similar mark;
2. unauthorised use of an identical or similar trademark in relation to similar goods or services; and
3. unauthorised use of a mark which is identical or similar to a registered well-known mark and such use would dilute the registered trademark.

The first type of infringement is also known as primary infringement. In this instance the mark is identical or resembles a registered trademark in such a way as to be likely to deceive or cause confusion. The likelihood of confusion is an objective test, a comparison of the marks themselves. The court in *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* stated that ‘the comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the marketplace and against the background of relevant surrounding circumstances’. The identical or similar mark must be used as a trademark, that is, it must create an impression that there is a material link in trade between the defendant’s goods or services and the proprietor of the registered trademark.

The second type of infringement, also known as extended infringement, relates to goods or services similar to the goods or services for which the registered trademark is used, such that use of the identical or similar mark results in the likelihood of deception or confusion. Surrounding circumstances are considered in determining whether there is sufficient similarity between the goods or services. This was the case in *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another*, where the court stated that the factors considered in ascertaining similarity include nature of the goods or service, use of the goods and trade channels through which the goods or services are offered. The

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704 Proviso to s 33.
705 Section 34 (1)(a)-(c).
706 Verimark Pty Ltd v BMW AG 2007 (6) 263 (SCA) at 267.
707 Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A) at 640, Century City Apartments Property Services CC and Another v Century City Property Owners Association 2009 BIP 230 (SCA) at 235.
708 1984 (3) SA 623 (A).
709 Supra note 708 at 641.
710 Supra note 706 at 266.
711 Section 34 (1)(b).
713 Supra note 712 at 861.
likelihood of confusion is not limited to the degree of similarity of the goods or service only, but also the marks themselves\(^\text{714}\).

For the first two types of infringement, the likelihood of confusion or deception is a necessary requirement. With the third type of infringement, also known as dilution, there is no need to prove confusion or deception, just to show that use of a mark identical or similar to a well-known trademark would likely take unfair advantage of or be detrimental to the distinctive character or reputation of the registered well-known trademark\(^\text{715}\). A mark must be well-known for a proprietor to institute proceedings for infringement by dilution – that is, it must have a reputation. The court in *Triomed (Pty) Ltd v Beecham Group plc*\(^\text{716}\) stated that ‘such reputation must extend to a substantial number of members of the public or persons in the trade in question’. Protection against dilution is thus aimed at safeguarding the reputation, advertising value, and selling power of a well-known mark\(^\text{717}\).

The remedies that can be sought for infringement of a trademark include:

1. interdict;
2. order for removal of the infringing mark from all material and, where the infringing mark is inseparable or incapable of being removed from the material, an order that all such material be delivered up to the proprietor;
3. damages; and
4. in lieu of damages, at the option of the proprietor, a reasonable royalty which would have been payable by a licensee for the use of the trademark concerned\(^\text{718}\).

5.3.2 Protection of certification and collective marks

Certification and collective marks are defined in s 42 (1) and 43 (1) of the Act respectively. A certification trademark is 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,

\(^{714}\) *New Media Publishing (Pty) Ltd v Eating Out Web Services CC* 2005 (5) SA 388 (C) at 394.

\(^{715}\) Section 34 (1)(c). *Bata Ltd v Face Fashions CC & Another* 2001 (1) SA 844 SCA and *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA).

\(^{716}\) 2001 (2) SA 522 (T) at 556.

\(^{717}\) Supra note 706 at 270.

\(^{718}\) Section 34 (3)(a)-(d).
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.\textsuperscript{719}

The proprietor of the mark certifies the characteristics of the goods or services but does not carry on trade in respect of those goods or services\textsuperscript{720}. A certification mark relates to standard compliance and the rules governing the use of the mark specify the conditions for use of the mark, circumstances in which the goods or services will be certified and the characteristics attributable to the goods or services.\textsuperscript{721} An example of certification mark in South Africa is the South African Bureau of Standards (SABS) mark which provides guarantee of quality and safety of products to consumers.

A collective trademark is also defined in the Act as ‘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\textsuperscript{722}. The association is the proprietor of the mark and establishes the rules governing the use of the collective mark which rules specify persons authorised to use the mark, conditions of membership, conditions of use of the mark and penalties for misuse.\textsuperscript{723} An example of a collective mark in South Africa is the logo of the Citrus Growers Association of Southern Africa\textsuperscript{724}.

The provisions of the Trademarks Act equally apply to certification and collective marks in so far as they can\textsuperscript{725}. Certification and collective marks can be used by many members and are better IP tools for small and medium enterprises that come together collectively either to produce the same product or market their products under the same mark. As will be discussed further in the next chapter, certification and collective marks can be suitable for use by small scale enterprises to leverage the benefits of joint marketing.

As South Africa does not have a \textit{sui generis} piece of legislation dealing specifically with geographical indications, certification and collective marks can be used to protect

\begin{footnotesize}
\begin{enumerate}
\item Section 42 (1). There is no common law protection for certification marks as s 2 (1) defines certification trade mark as a mark registered or deemed to have been registered under s 42.
\item Proviso to s 42 (1).
\item Trade Marks Regulations, reg. 56 (3).
\item Section 43 (1). There is no common law protection for collective marks as s 2 (1) defines a collective trade mark as a mark registered under section 43.
\item Trade Marks Regulations, reg. 57 (3).
\item Section 42 (2) and 43 (3).
\end{enumerate}
\end{footnotesize}
geographical indication\textsuperscript{726}. The definition of a certification mark under s 42 encompasses geographical indications to be registerable as certification marks. The Registrar must clearly indicate in the register that the certification mark is a geographical indication\textsuperscript{727}. Among the characteristics that can certified in respect of a product, it includes a mark capable of distinguishing goods or services certified in respect of geographical origin. An authority can certify the characteristics of a good or production method of a good from a particular geographical area. The certifying authority could be a department of government in which case it sets the standards and rules for the good produced in the geographical area. However, the certifying authority cannot use the mark\textsuperscript{728} all it does is certify and the producers who comply with the standards, if they are from the particular geographical area, can use the mark.

Section 43 (2) provides that geographical names or other indications of geographical origin may be registered as collective trademarks. Where a good is produced in a region, producers can form an association and register a collective trademark to be used for the product. In such instances only members of the association can use the mark for the origin-linked product and the association sets the rules for the use of the mark. Geographical indications may be registered as collective marks provided that the Registrar must clearly indicate in the register that the collective mark is a geographical indication\textsuperscript{729}.

The Act also provides specific protection to traditional terms or expressions – defined as an indigenous term or expression (literary, artistic, or musical term or expression with an indigenous or traditional origin and a traditional character, including indigenous cultural expressions or knowledge) and derivatives of such expressions\textsuperscript{730}. In terms of s 43A traditional terms and expressions can be protected as collective and certification marks but cannot be registered as trademarks\textsuperscript{731}. The traditional term or expression must, however, be capable of distinguishing the goods or services of an indigenous community in respect of which it is registered or proposed to be registered\textsuperscript{732}. They can also be protected as geographical indications\textsuperscript{733}. With such terms, prior informed consent from the relevant indigenous community or authority must be obtained, the indigenous cultural expression or

\textsuperscript{726} Century City Apartments Property Services CC and Another v Century City Property Owners Association 2009 BIP 230 (SCA) at 241
\textsuperscript{727} Section 43B (4).
\textsuperscript{728} Proviso to s 42 (1).
\textsuperscript{729} Section 43B (5).
\textsuperscript{730} Section 2 as introduced by s 8 of the Intellectual Property Laws Amendment Act No. 28 of 2013.
\textsuperscript{731} Section 43B (1).
\textsuperscript{732} Section 43B (3).
\textsuperscript{733} Section 43B (2)(b).
knowledge must be disclosed to the CIPC and a benefit sharing agreement concluded between
the applicant and the indigenous community or relevant authority. The duration of
registration for traditional terms or expression is in perpetuity, provided it has been passed
down from previous generation and for a derivative indigenous term or expression the
duration of protection is 10 years and may be renewed in perpetuity.

Geographical indication protection in South Africa can thus be categorised as protection
that confers rights and protection that forbids certain conduct. Protection as collective and
certification marks belong to the former and protection under laws regulating business
conduct belongs to the later. Laws that regulate business conduct include the Agricultural
Products Standards Act 119 of 1990, Merchandise Marks Act 17 of 1941 and the Liquor
Products Act 60 of 1989. The Merchandise Marks Act prohibits the use of any misleading
mark or word in connection with any trade or business. The Agricultural Product Standards
Act under section 6A empowers the Minister of Agriculture to prohibit the use of false or
misleading descriptions of products, including as to the origin. In addition, the Department of
Agriculture has issued regulations which extend the protection of geographical indications to
agricultural products. The Liquor Products Act prohibits the sale of a liquor product that
misleads as to the origin and allows parties to apply for protection schemes from the Wine
and Spirit Board. The Wine and Spirit Board administers the Wine of Origin scheme in
South Africa.

5.3.3 Common law trademark protection

Where a trademark is not registered, protection in South Africa is available under the
common law – an aggrieved party can pursue an action for unlawful competition.

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734 Section 43B (6).
735 Section 43E (2).
736 Section 43E (1).
737 van der Merwe op cit note 368 at 113, OS Sibanda ‘The prospects, benefits and challenges of sui generis
protection of geographical indications of South Africa’ (2016) 51 (3) Foreign Trade Review 213-224 at 216.
738 Merchandise Marks Act, s 6 (c).
739 Regulations Relating to the Protection of Geographical Indications used on Agricultural Product Intended for
740 Liquor Products Act, s 11 (2)(f) and 12 (1).
741 Section 14.
742 It is the oldest scheme for origin-linked products in South Africa having been established in 1973 in terms of
the Wine, other Fermented Beverages and Spirits Act of 1957.
743 South African common law is Roman-Dutch Law however, the principles of British law have influenced
trademark common law in South Africa see Dean op cit note 226 at 89.
744 van der Merwe et al op cit note 63 at 46.
Activities that take unfair advantage of or prejudice a competitor would warrant a trader to seek remedies at law. Unlawful competition is ‘culpable or blameworthy conduct on the part of a person which – in and about the marketing of his product – results in or constitutes a false representation which causes, or which is likely to cause confusion among or deception of a substantial number of prospective purchasers’ 745.

Such activities that take unfair advantage of or prejudice a competitor give rise to delictual liability and an aggrieved party can pursue legal action based on the lex Aquilia746. The lex Aquilia, also known as the Aquilian action, is a claim for damages and the plaintiff must show unlawful conduct on the part of the defendant, which conduct results in patrimonial loss or damage747.

In the case of an unregistered trademark, a proprietor may make a claim for passing off. As is the case under the common law in Zimbabwe, passing off is whereby a trader misrepresents to the consumers that his or her goods or services are those of a different trader or associated with a different trader748. Acts such as unauthorised use of another’s trademark, trade name and imitation of another’s packaging of goods, constitute passing off. The misrepresentation can harm the goodwill or reputation of an enterprise where consumers have come to associate a certain quality between the goods or services and the enterprise.

Unlike statutory law, protection under common law requires proof of reputation of the trademark, the trader would have to prove goodwill or reputation attached to the goods or services749. Reputation is the perception or opinion the purchasing public has about the plaintiff or his or her goods or services. This is created over time through use of the trademark or advertising such that the trademark has become associated with goods or services that originate from the plaintiff and has acquired distinctiveness750. For an action of passing off to succeed the plaintiff must prove that; his or her name, mark or packaging (get-up) has become distinctive in indicating the origin of goods or services and acquired good will or reputation; use of the name, mark or packaging by the defendant is likely to deceive or

745 William Grant and Sons Ltd and Another v Cape Wine and Distillers Ltd and Others 1990 (3) SA 897 (C) at 915.
746 van der Merwe et al op cit note 63 at 46.
748 See Williams t/a A Jenifer Williams & Associates and Another v Life Line Southern Transvaal 1996 (3) SA 408 (A) at 418.
749 Dean op cit note 226 at 89, states that the ‘essence of a passing off claim is that the plaintiff’s trademark must enjoy sufficient repute to render it likely that use of a confusingly similar mark by another will cause that person’s goods or services to be connected in the course of trade with the plaintiff’.
750 Ramsden op cit note 747 at 361.
cause confusion to the consumers; and use by the defendant has resulted in harm or damages or is likely to cause harm or damage to the goodwill of the plaintiff’s business.  

5.4 Conclusion

Zimbabwe has acceded to the Madrid Protocol and as such an international registration is possible. It is also an ARIPO member state and has incorporated the provisions of the Banjul Protocol on Marks into the trademark legislation thus facilitating regional trademark registration. South Africa is not party to either the Madrid Agreement or the Madrid Protocol and both countries are not party to the Nice Agreement but adhere to the international classification system of marks that it established. The two countries have largely similar trademark legal frameworks that comply with TRIPS. The definition of trademark in the statutes of the two countries reflect the provisions of art. 15 (1) TRIPS and emphasise capability to distinguish goods or services as a key element of what constitutes a trademark. In addition, the rights conferred by registration are also similar and comply with art. 16 (1) TRIPS, both legislations provide the right to use the mark in relation to goods or services and the right to prevent unauthorised use.

Though the Zimbabwean statute provides for assignment of trademark, the South African legislation provides for assignment, licensing, and hypothecation, thus a fairly broader than the provisions in the Zimbabwean statute. In both countries a trademark may be assigned with or without the goodwill of the business concerned reflecting the provisions of art. 21 TRIPS. A trademark may be assigned in respect of all or some of the goods or services for which it is registered. There is a difference in the infringement provisions of the trademark legislation of the two countries. The Zimbabwean legislation provides that a trademark is infringed by unauthorised use of a similar mark in relation to the same goods or services, but the South African legislation goes further and provides for infringement by dilution.

Perhaps the main difference between the two countries is more apparent in the protection of geographical indications. Zimbabwe has a sui generis system for geographical indications while South Africa primarily protects them under certification and collective marks and also under laws regulating business conduct. Though Zimbabwe has enacted a sui generis framework, protection is also available under the trademark regime and consumer

751 Supra note 748 at 418.
protection laws, thus creating overlaps. The definition of a geographical indication in the legislation complies with art. 22 (1) TRIPS, and the legislation provides a broad range of possible applicants to register a geographical indication. The higher level of protection afforded to geographical indication of wines and spirits in art. 23 (1) TRIPS is also incorporated into the statute. The legislation also protects the rights of prior users of a trademark that is identical or similar to a later geographical indication if such use was made in good faith prior to the legislation coming into effect.

The discussion so far lays the foundation for trademark and geographical indication framework in Zimbabwe and South Africa. Protection is broadly available to interested persons. There has not been sufficient focus on how small and medium enterprises – which contribute to economic activity in African economies – can use trademarks and geographical indications. The same applies to small scale farmers, who also contribute a significant portion of agricultural production in Africa and agricultural exports. Trademark and geographical indication, particularly when used by associations or groups of producers, may potentially be transformative. The next chapter focuses on small and medium enterprises and small scale farmers and identifies provisions in the legislation of the study countries that may make trademark and geographical indication protection useful for these enterprises.
Chapter 6 - Potential Use of Trademarks and Geographical Indications in the Small and Medium Enterprises and Small Scale Farming in Zimbabwe and South Africa

6.1 Introduction

This chapter takes a closer look at two important sectors in both Zimbabwe and South Africa that drive economic development in these countries and in which trademarks and geographical indications protection appear to be underutilised but could be beneficial: the small and medium enterprises (SMEs) and small scale farming. It highlights the characteristics of SMEs and small scale farming, the crucial role that they play in the economies of Zimbabwe and South Africa, the challenges they face and opportunities to use trademarks and geographical indications. The chapter concludes with a discussion on cluster development, which the thesis submits as a foundation upon which to begin pursuing use of trademarks and geographical indications by small scale producers.

6.2 Defining small and medium enterprises

This section discusses the characteristics of SMEs in Zimbabwe and South Africa, the role they play in the economies and some challenges that they face that could potentially be addressed by adopting trademarks and geographical indications. There is no universal definition of SMEs and what constitutes an SME differs from country to country and across sectors. The differences in definition are also attributed to size of the firms relative to the size of the economy. Various definitions exist capturing different attributes and generally, the parameters used in characterising SMEs include number of employees, turnover, capital base, type of business and degree of formalisation.

6.2.1 SMEs in Zimbabwe

The Small and Medium Enterprises Act (Chapter 24:12) (SME Act) enacted in 1983 as last amended in 2011, defines micro, small, and medium enterprise as a business entity which

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753 Cant et al op cit note 31, Chinedu et al op cit note 11 at 80.

754 Abor & Quartey op cit note 19 at 220 and Ayyagari et al op cit note 26 at 6.

is managed by one person or jointly by two or more persons, whether incorporated or unincorporated\textsuperscript{756}. It means an SME can be formal or informal. Though it offers flexibility to enterprises to choose whether to formalise or not, formalisation or the lack thereof, has an implication on the services that an SME can access. For example, to secure a loan, banks require that an SME be formally incorporated\textsuperscript{757}, yet studies show SMEs are reluctant to formalise among other reasons, due to fear of being subjected to the same tax rate as large companies\textsuperscript{758}.

The SME Act also categorises SMEs in terms of the specific business activity or sector in the Fourth Schedule of the Act. There are three parameters used in the Fourth Schedule of the Act: number of employees, assets, and annual turnover. Different institutions place emphasis on certain parameters to define SMEs, for example the Zimbabwe Revenue Authority (ZIMRA) uses the capital base and turnover for tax purposes\textsuperscript{759}. Banks also categorise SMEs for lending purposes, and depending on the specific bank, either the assets or annual turnover\textsuperscript{760}.

### Characterisation of SMEs in Zimbabwe

<table>
<thead>
<tr>
<th>Size or class</th>
<th>Employment (Maximum)</th>
<th>Turnover (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>5</td>
<td>$30 000 - 500 000 (varies by sector)</td>
</tr>
<tr>
<td>Small</td>
<td>30 - 40</td>
<td>$500 000 - 1 500 000 (varies by sector)</td>
</tr>
<tr>
<td>Medium</td>
<td>75</td>
<td>$1 000 000 - 3 000 000 (varies by sector)</td>
</tr>
</tbody>
</table>

Table 1. Adapted from the Fourth Schedule Small and Medium Enterprises Act (Chapter 24:12).

\textsuperscript{756} Section 2.


The characterisation of SMEs also affects statistical data on SMEs in Zimbabwe, for example the Confederation of Zimbabwe Industries categorises small (5-19 employees) and medium (20-99 employees)\textsuperscript{761} therefore excluding micro. Other studies consider SMEs as including micro, small, and medium enterprises\textsuperscript{762}. It is also not clear whether the data is drawn from formal SMEs or informal, or both. This matters as understanding and addressing some of the challenges faced by SMEs may be specific to how they are constituted.

6.2.1.1 Regulatory and Policy Framework

SMEs fall under the Ministry of Women Affairs, Community, Small and Medium Enterprises Development (Ministry of SMEs). The Ministry is mandated to promote SME development and ensure an effective regulatory framework. It is tasked to ensure proper coordination and implementation of national policies, legislation, and government programs, facilitate training and advisory services, and access by SMEs to finance\textsuperscript{763}. In addition, the Ministry of Industry and Commerce also supports SMEs by promoting access to regional and international markets and provides information to SMEs on opportunities for expansion into exports markets\textsuperscript{764}. This work is undertaken through its’ Enterprise Development department\textsuperscript{765}.

The Small and Medium Enterprises Development Corporation (SMEDCO) is a parastatal under the Ministry. Among its’ core functions is to administer the SME Fund\textsuperscript{766}, which is aimed at providing loans to SMEs. SMEDCO financial assistance program has however, been eroded by the economic challenges in the country\textsuperscript{767}. SMEDCO also assists SMEs through management counselling and training and providing information and advice on


\textsuperscript{763} Small and Medium Enterprises Act, s 2A.


\textsuperscript{765} Ibid.

\textsuperscript{766} Small and Medium Enterprises Act, s 18 (1)(c).

business. It promotes SMEs linkages, provides industrial space and business incubation, though these activities have been affected by funding constraints.

Other institutions that support SMEs in Zimbabwe include Zimbabwe National Trade Development and Promotion Organisation (ZimTrade), the Confederation of Zimbabwe Industry (CZI) and the National Chamber of SME. ZimTrade is a synergy between the private sector and government, mandated with export promotion, development facilitation and advocacy. It provides information about foreign markets and provides an online platform linking potential foreign buyers with local producers. It also has a specific program tailored towards SMEs, the Export Marketing Training Program for SMEs, aimed to help SMEs export their products.

Ineffective coordination at the national level has affected the development of SMEs as there are a few ministries that in some way have a role in the development of SMEs. For example, the Enterprise Development department under the Ministry of Industry and Commerce is also tasked with ensuring policy coordination, which is what the Ministry of SMEs is responsible for, thus duplication of functions. The situation has created a difficulty in the allocation and utilisation of resources. The responsibility for the development of SMEs has also shifted from different ministries, initially SMEs were under the Ministry of Industry and Commerce then a separate ministry was created in 2002, the Ministry of Small and Medium Enterprises and Cooperative Development. It has since shuffled between the Ministry of Women Affairs and the Ministry of Youth Development, Indigenisation and Economic Empowerment.

The lack of coordination has resulted in ineffective use of limited resources particularly considering that the Ministry of SMEs has been perennially underfunded. It gives the

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768 Small and Medium Enterprises Act, s 18 (1)(b).
769 Chirisa et al op cit note 767 at 126.
773 See Government of Zimbabwe 'Zimbabwe National Trade Policy 2012-2016'
774 Bomani et al op cit note 772 at 119.
775 Chivasa op cit note 759 at 3.
776 Bomani et al op cit note 772 at 119.
impression that the Ministry of SMEs is not considered important even though it is mandated with facilitating the growth of SMEs and providing access to credit via SMEDCO\textsuperscript{777}. It also gives credence to the argument that the Zimbabwean government’s support for small businesses was a reaction to the sudden proliferation of small businesses because of the economic slump, which saw the closure of larger companies\textsuperscript{778}. SME support institutions indicate that they offer various initiatives to SMEs, but many entrepreneurs have never received access to training from the programs that the Ministry of SMEs undertook\textsuperscript{779}.

Government policy on SMEs has been focused on their growth and as SMEs are involved in various economic sectors, the strategy for their development has been captured in the different sectoral policies over the years\textsuperscript{780}. The first policy document that encapsulated all SMEs regardless of the specific sector was the crafted in 2002 by the Ministry of Industry and International Trade and the Ministry of Youth Development, Gender, and Employment Creation. It outlined the major goal to create jobs, reduce poverty and stimulate growth. The latest document is the Zimbabwe National Micro, Small and Medium Enterprises Policy and Strategic Framework 2014-2018 - launched in 2015\textsuperscript{781}.

Government policy has also focused on provision of financial services to SMEs, the National Financial Inclusion Strategy launched in 2016 by the Ministry of Finance and Economic Development, is aimed at addressing the barriers to access to financial services to groups that are underserved by the financial system. One of the targeted groups is SMEs. Banks are encouraged to establish SME Units to meet the needs of SMEs and develop appropriate substitutes for collateral to enable SMEs to get credit\textsuperscript{782}. In addition, SMEs that

\textsuperscript{777} Maunganidze op cit note 762 at 5.
\textsuperscript{778} Marunda & Marunda op cit note 762 at 114.
\textsuperscript{781} Dlamini & Schutte op cit note 780 at 8, note that ‘the thrust was to stimulate economic growth, wealth creation and reduce poverty through the creation and maintenance of an enabling environment for the development and growth of SMEs’.
export can benefit from the Export Credit Guarantee Scheme under the Credit Guarantee Company of Zimbabwe (CGCZ). Government policy has also focused on directing more business and opportunities to SMEs. In terms of the SME Act, 25 per cent of government contracts for goods or services must be awarded to SMEs, whether by the contract or subcontract. A higher threshold is provided for in the Indigenisation and Economic Empowerment Act (Chapter 14:33), which requires government departments and companies to procure 50 per cent of their goods and services from companies owned by black Zimbabweans. It is intended that SMEs will take advantage these legislative provisions to grow and become more viable.

6.2.1.2 Role of SMEs in Zimbabwe

SMEs are considered strategic in achieving national economic development in Zimbabwe. They are involved in different sectors of the economy; agriculture, wholesale and retail, manufacturing, energy and construction, arts, culture and education, accommodation and food services, transport, and mining and quarrying. SMEs are most active in the agriculture, wholesale, and retail sectors. They are flexible and respond to changes in the economic environment, even with limited financial resources. SMEs also facilitate product innovation and technological improvement. Though figures are hard to

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784 Small and Medium Enterprises Act, s 2A (e).
785 This is however undercut by corruption. Bomani op cit note 780 at 171, states that the procurement process is flawed with irregularities and there is corruption in the tender award processes and approximately 70 per cent of the tenders that pass through State Procurement Board have an element of corruption.
come by, the last official study found that SMEs contributing about 60 per cent the country’s GDP.

Job creation is one of the key contribution of SMEs, some researchers argue that employment generation is the most important contribution of SMEs to the economy. Though latest figures are hard to come by some studies indicate that they contribute about 65 per cent of employment and others put the figure higher at over 90 per cent. Nonetheless, their crucial role of SMEs in alleviating poverty in Zimbabwe is recognised that arises from their contribution to income generation. Several SMEs are usually family-owned and run such that the income generated accumulates within the same family. Bomani notes that many SMEs in Zimbabwe are survivalist enterprises, established to generate family income as they engage in small scale goods and service provision.

6.2.1.3 Select challenges faced by SMEs in Zimbabwe

SMEs in Zimbabwe face significant challenges, a discussion of which is beyond the scope of this research, but these include regulatory environment, access to financial resources, management skills and infrastructure. Among these, some researchers consider financial challenges to be the most significant as that inhibits their ability to grow. Though financial constraints are said to be the biggest hurdle to SME development, scholars highlight market access and marketing strategies as significant obstacles to SME growth.

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791 Majoni et al op cit note 752 at 380.
792 Nyoni & Bonga op cit note 24 at 2.
793 Majoni et al op cit note 752 at 380.
796 Bomani op cit note 780 at 126.
798 Mudavanhu et al op cit note 786 at 78, and Chadamoyo & Dumbu op cit note 790 at 32.
799 Zindiyi et al op cit note 787 at 660.
Market access impacts the ability of SMEs to establish a customer base and grow\textsuperscript{800}. Scholars note that in many instances, output is low, both in terms of quantity and quality resulting in SME products being less competitive on the market\textsuperscript{801}. They lack knowledge of the market and fail to attract and retain customers\textsuperscript{802}. Coupled with competition, from both local and foreign products\textsuperscript{803}, their ability to gain market share is limited. This is especially significant for SMEs involved in manufacturing and processing which face the threat from imports\textsuperscript{804}.

Related to access to market is marketing techniques, SMEs are unable to engage in effective marketing\textsuperscript{805}. They fail to use product branding and establish customer loyalty\textsuperscript{806}. Majoni et al state that the lack of skilled personnel results in inadequate market research and an overconcentration on few markets for finished products of SMEs\textsuperscript{807}. Researchers highlight that many SMEs do not seem to appreciate the importance of marketing communications to enable their products to reach the market and make potential customers aware of their products and services\textsuperscript{808}. They do not effectively engage in promotion of their products and proper planning for product promotion\textsuperscript{809}. Some SMEs rely on word of mouth to advertise their business\textsuperscript{810}. Further, SMEs find the cost of advertising too high\textsuperscript{811} and are therefore unable to effectively advertise their products and reach potential customers.

Marketing and advertising are areas where trademarks and geographical indications could potentially fit in, as will be discussed below. These distinguishing marks could be used as a marketing device. In addition, the costs of advertising could be shared by a group of producers that use a collective mark. They could use certification marks to indicate origin, material, mode of manufacture, quality, or any other characteristic of their products.

\textsuperscript{801} Majoni et al op cit note 752 at 383.
\textsuperscript{802} Karedza et al op cit note 789 at 39.
\textsuperscript{803} Mudavanhu et al op cit note 786 at 86 and Tinarwo op cit note 800 at 151.
\textsuperscript{804} Mudavanhu et al op cit note 786 at 87.
\textsuperscript{805} Bomani op cit note 780 at 287 and Karedza et al op cit note 789 at 39.
\textsuperscript{806} Tinarwo op cit note 800 at 151.
\textsuperscript{807} Majoni et al op cit note 752 at 383.
\textsuperscript{808} Tsikirayi et al op cit note 29 at 8.
\textsuperscript{809} Ibid.
\textsuperscript{810} RCF & FinMark Trust op cit note 770 at 42.
\textsuperscript{811} Bomani op cit note 780 at 287.
6.2.2 SMEs in South Africa

In South Africa, National Small Business Act 102 of 1996 defines micro, small and medium enterprises. It provides that a small enterprise means,

‘a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or subsector of the economy mentioned in column 1 of the Schedule and classified as a micro, a small or a medium enterprise by satisfying the criteria mentioned in columns 3 and 4 of the Schedule.’

The Act categorises SMEs in terms of the specific economic sector in the Schedule 1 of the Act. It characterises SMEs based on two parameters, that is, total full time equivalent of paid employees and total annual turnover. Based on the parameters there are three classes, micro, small and medium. A micro enterprise has a maximum of 10 employees, a small enterprise has a maximum of 50, and a medium enterprise has a maximum 250 employees. The annual turnover varies by sector and an SME can be incorporated or unincorporated.

### Characterisation of SMEs in South Africa

<table>
<thead>
<tr>
<th>Size Category</th>
<th>Employees</th>
<th>Annual Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>0-10</td>
<td>≤ R20m (varies by sector)</td>
</tr>
<tr>
<td>Small</td>
<td>11-50</td>
<td>≤ R80m (varies by sector)</td>
</tr>
<tr>
<td>Medium</td>
<td>51-250</td>
<td>≤ R220m (varies by sector)</td>
</tr>
</tbody>
</table>

Table 2. Classification of Small Business adapted from Schedule 1 of the National Small Business Act 102 of 1996

The characterisation of SMEs thus covers a range of entities and different degrees of formalisation. Incorporation may impact the types of services that SMEs can access,

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813 Section 1 (xvi).
814 C Nieuwenhuizen ‘The effect of regulations and legislation on small, micro and medium enterprises in South Africa’ (2019) 36 (5) Development Southern Africa 666-677 at 667, notes that it is difficult to determine the contribution of SMEs to the economy due to the large number of informal or non-registered businesses.
particularly financial services and tax. Different stakeholders will find different parameters more useful, for example financial institutions may place emphasis on annual turnover while government departments may focus on the number of employees in capturing jobs created by SMEs. The South African Revenue Service (SARS), for example emphasises annual turnover for tax purposes.\textsuperscript{815} Characterisation also has an impact on understanding the performance of SMEs and their contribution to the South African economy.\textsuperscript{816} Studies use different parameters, for example using income tax or value-added tax, collected by SARS from SMEs, to indicate that a firm is registered.\textsuperscript{817}

6.2.2.1 Regulatory and policy framework

In South Africa, the Department of Small Business Development (DSBD) is tasked with the responsibility to guide and coordinate the development of SMEs and cooperatives. Within the DSBD are different units mandated with different tasks; these include the Small Enterprise Development Agency (SEDA) and the Small Enterprise Finance Agency (SEFA). SEDA was established in 2004 in terms of the National Small Business Amendment Act 19 of 2004. It is tasked with implementing SME development strategies, including designing and implementing development support programmes, promoting a service delivery network that increases the contribution of SMEs to the economy, and strengthening capacity of service providers to support SMEs to compete in the domestic and international markets.\textsuperscript{818} SEFA is mandated to assist SMEs with financing and offer loans up to a limit of R3 million.\textsuperscript{819} In addition, the Department of Trade and Industry administers the National Empowerment Fund, established by the National Empowerment Fund Act No. 105 of 1998 which provides financing to black owned and managed business and provides non-financial support to SMEs.

\textsuperscript{817} IFC op cit note 815 at 32.
\textsuperscript{818} National Small Business Amendment Act 29 of 2004 ss 9A (a)–(c)
SMEs are involved in different sectors of the economy and as such their development is reflected in different sectoral policies. The Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises (ISPESE) is the informing policy on SME development in South Africa. It addresses three key areas: increasing financial and non-financial support to SMEs, reducing regulatory constraints, improving the demand for SME products and services. The policy also provides the framework of cooperation and integration of activities of institutions involved in SME development.

The Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE), among other things, aims to improve the participation of black owned local enterprises in economic activities. In addition, s 2 (e) of the Competition Act 89 of 1998 provides an objective to ensure that SMEs have an equitable opportunity to participate in the economy. South Africa’s National Treasury revised preferential procurement so that 30 per cent of state procurement be reserved for SMEs and cooperatives. This has received impetus from the programs run by SEDA to improve the participation of SMEs in public procurement, that is, the Black Business Supplier Development Programme and the National Informal Business Upliftment Strategy.

In promoting SME development and improve their participation in the economy there have been targeted interventions in South Africa ranging from access to finance, skills development, and infrastructure. However, the challenge of coherence and coordination of departments and agencies remains as SMEs cover a wide range of sectors of the economy. This was noted in the Annual Review of Small Business and Cooperatives, which identified at least eight departments with activities that relate to SMEs, including the DSBD, Department of Trade and Industry, Department of Agriculture and Department of Minerals and Energy, which leads to fragmentation and duplication of activities.

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822 DPME & DSBD op cit note 820 at 12.
823 Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE), s 2 (a).
826 DSBD op cit note 752 at 17.
827 Ibid at 27.
The implementation and follow up of the programs adopted by government has been considered unsatisfactory, with the support services offered to SMEs not reaching the intended beneficiaries and the agencies set up to execute the mandate being under resourced. In endeavouring to support SME development it has also become clear that SMEs are not homogenous; they are diverse in terms of enterprise activity, structure of ownership, skills and knowledge and they vary across different economic sectors and all that makes SME policy formulation and execution challenging.

6.2.2.2 Role of SMEs in South Africa

SMEs are important in South Africa’s development, they are found in different sectors of the South African economy – agriculture, manufacturing, mining, construction, transport and communication, wholesale and retail, finance and business services, accommodation, and catering. They particularly dominate the wholesale, retail, and construction sectors in South Africa. SMEs supply goods and services to large companies, facilitate the distribution of goods from large firms to customers, and are engaged as subcontractors. They also bring new and innovative products to the market and their adaptive and incremental behaviours result in improved products on the South African market.

Perhaps the areas that SMEs in South Africa have been considered as most significant is in promoting economic growth, employment, and poverty alleviation. SMEs accounted for

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831 DSBD op cit note 7 at 52.
833 Ayandibu & Houghton op cit note 162 at 135, Ngek op cit note 830 at 256, Sawers et al op cit note 832 at 173.
835 Abor & Quartey op cit note 19 at 219, DSBD op cit note 821 at 34.
about 34 per cent of the country’s GDP and between 50 to 60 per cent of all employment. Job creation is one important aspect of SME contribution to the South African economy. They create jobs in different sectors of the economy, they are generally labour intensive and absorb both skilled and unskilled labour, and therefore make productive use of the unemployed economically active population. SMEs contribution to employment leads to income generation and subsequently poverty alleviation in South Africa. In this context, Sitharam and Hoque state that they facilitate the redistribution of productive assets among the previously disadvantaged. SEDA has observed a significant shift in employment generation from large companies to SMEs thus indicating an important role that SMEs have in South Africa.

6.2.2.3 Select challenges faced by SMEs in South Africa

SMEs in South Africa encounter significant challenges which are documented in the literature among those identified include legal and regulatory environment, access to financial resources and management skills. SMEs also struggle to access markets and engage in marketing strategies. Challenges around market access arise from the competitiveness of the business environment. Due to their size, they are at a disadvantage in accessing markets for their products and services, and that is exacerbated by small distribution networks and limited resources to devote to marketing. They encounter stiff competition from large

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836 IFC op cit note 815 at 14.
839 Kongolo op cit note 24 at 2291, Berry et al op cit note 838 at 11.
841 SEDA op cit note 838 at 13.
843 Cant & Wiid op cit note 30 at 709.
844 Rogerson op cit note 29 at 135.
845 IFC op cit note 815 at 78.
businesses\textsuperscript{846} which leads to low sales and limited growth\textsuperscript{847}. Cant and Wiid state that despite the support received from government many SMEs fail as they lack knowledge about the market\textsuperscript{848}. SMEs need to know their customers – what, how and where they buy – and they need to know the competition\textsuperscript{849}, and that entails devoting some resources to market research. Inability to conduct market research, low quality products and services and insufficient advertising, have a negative impact on the ability of SMEs to succeed\textsuperscript{850}.

Among the identified marketing factors include poor product variety and branding\textsuperscript{851}. SMEs are unable to adequately employ product branding which can attract customers\textsuperscript{852}. In one study, it was found that some SMEs were aware of the importance of branding even though they lacked the resources to employ branding strategies\textsuperscript{853}. Due to their size, SMEs struggle to build a recognised brand name and establish a reputation among customers\textsuperscript{854}. A brand name would be useful not only in creating an association of the products or services of SMEs, but also distinguish the products and services from others.

Bushe states that without an effective marketing strategy a business is unable to provide appropriate pricing or engage in promotional efforts\textsuperscript{855}. Employing effective marketing strategies would aid an enterprises’ competitiveness and enable it to gain market share. Already, due to size constraints and isolation, SMEs struggle to achieve economies of scale and seize market opportunities that require standardised production, large and regular supply\textsuperscript{856}. In this context, using trademarks, for an individual SMEs, or certification and collective mark for groups or associations of SMEs could help SMEs overcome some of these marketing related challenges, particularly branding, as will be discussed below.

\textsuperscript{846} Bhorat et al op cit note 837 at 42, Sitharam & Hoque op cit note 840 at 283.
\textsuperscript{847} Cant & Wiid op cit note 30 at 709, van Scheers op cit note 30 at 5054.
\textsuperscript{848} Cant & Wiid op cit note 30 at 707.
\textsuperscript{849} Ibid at 709.
\textsuperscript{852} Cant & Wiid op cit note 30 at 713.
\textsuperscript{853} Cant et al op cit note 31 at 741.
\textsuperscript{854} Cant & Wiid op cit note 30 at 713.
\textsuperscript{855} B Bushe ‘The causes and impact of business failure among small to micro and medium enterprises in South Africa’ (2019) 7 (1) Africa’s Public Service Delivery and Performance Review 1-26 at 14.
\textsuperscript{856} Ayandibu & Houghton op cit note 162 at 134.
6.3 Defining small scale farming

This section discusses small scale farming in Zimbabwe and South Africa, their role in the economies of the two countries and some challenges that they face which could potentially be addressed by utilising trademarks and geographical indications. The term small scale farmer or smallholder constitutes a spectrum of producers and there is no universal definition of a small scale farmer with different countries using different parameters. Some of the words used include smallholder, communal, subsistence farmers and even differentiation between small scale farmers and small scale commercial farmers. Defining small scale farmer therefore depends on the context in which it is used. Some parameters used in characterising small scale farmers include size of land, productivity, market and access to resources. They are referred to as those with limited resources when compared to other farmers in the sector.

Some authors define small scale farmers as farmers who struggle to be competitive due to resource constraints in comparison to other more efficient producers or due to the market structure and some characterise small scale farms in relation to access to inputs. Though land size is a common feature when classifying small scale farms, some authors do not consider land size a good criterion and state that a small farm is relative to the ecological region, soil quality and farming industry. A suggested definition is ‘a small farmer is one whose scale of operation is too small to attract the provision of the services he/she needs to be able to significantly increase his/her productivity’.

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861 Kirsten & van Zyl op cit note 38 at 554.
862 Ibid at 555.
6.3.1 Small scale agricultural production in Zimbabwe

The Fast Track Land Reform Programme (FTLRP), a government program to address the past land ownership imbalances under the colonial system and redistribute land, changed the land tenure and structure in Zimbabwe. The FTLRP led to people being settled on what are known as A1 farms, which are small plots of land to grow crops for domestic consumption and A2 farms which are larger plots of land for small and medium scale commercial farms (the size generally depends on the region). Small scale farms thus generally include the resettled land and communal land. The number of small scale farms is therefore high, some authors suggest that over 90 per cent of all farms in Zimbabwe are small scale farms.

6.3.1.1 Regulatory and policy framework

Zimbabwe is a largely agriculture-based country and thus, small scale production is incorporated into the national agricultural production framework. The Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement (Ministry of Agriculture) is the responsible government authority. It is mandated to provide technical, extension, advisory, regulatory, and administrative services to the agricultural sector to achieve food security and economic development. The Ministry of Agriculture administers its’ responsibilities through six departments; Agricultural Technical and Extensions Service (AGRITEX); Research and Specialist Services; Livestock and Veterinary Services; Mechanisation; Irrigation; and Tsetse Control.

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866 S Proctor, S Henson, R Loader, O Masakure, A Brouder, L Bhila and N Sigauke ‘Facilitating the effective production and marketing of processed food products by small-scale producers in Zimbabwe’ at 8, available at https://assets.publishing.service.gov.uk/media/57a08d52e5274a31e00017be/R7485c.pdf, accessed on 19 December 2020.
867 S Scoones et al op cit note 863 at 970.
Though there is no specific government department responsible for small scale farming, there are at least two institutions that provide support to small scale farmers, the Agricultural Rural Development Authority (ARDA) and Agricultural Bank of Zimbabwe (Agribank). ARDA was established by the Agricultural and Rural Development Authority Act (Chapter 18:01), and is tasked to implement, promote, and assist agricultural development. It implements various schemes in rural areas aimed at improving agricultural production. Agribank is tasked to provide credit schemes to small scale farmers.

The Comprehensive Agricultural Policy Framework (2012-2032) provides the guidance on the agricultural sector. It outlines the broad policy goals, and for crop production increasing productivity and diversification are the central objectives. In the context of small scale farmers, it addresses input support programmes. There are two main input schemes to alleviate farming input challenges: government funded initiatives and private/donor funded schemes. The government initiatives have been criticised for failure to allocate resources to crops that ensure food security, failure to allocate per agricultural sector and the partisan nature of allocation of inputs. The current government input scheme is Targeted Command Agriculture Programme, launched in 2016.

6.3.1.2 Role of small scale farming in Zimbabwe

Though agriculture accounts for 11 per cent of the GDP and is the source of employment and income for 67 per cent of the population, it is hard to assess what percentage of this is contributed by small scale farmers. However, over 90 per cent of farms in the country can be classified as smallholder farms. Small scale farmers play a role in

870 Section 18 (2).
874 Ibid.
877 WBG op cit note 868 at 5.
food security, growing among other crops, maize, wheat, small grains (millet and sorghum), groundnuts, and beans. They also supply agro-processing companies and retail outlets which distribute food across the country. Small scale agricultural production has expanded the supply of diverse foods, though the failure of the sector to grow and unreliability of rainfall patterns have compromised their ability to produce enough for the country.

Small scale farmers are also involved in producing the main agricultural commodities – tobacco, maize, cotton, sugarcane, wheat, horticultural crops, and groundnuts. In addition to these, they grow tea, coffee, and flowers and the exports of the products bring in foreign currency into the country. They particularly dominate the production of tobacco, the major agricultural export and export horticultural products to South Africa, Netherlands, and the UK.

Small scale farmers generate income from their farming activities, though the amount of income varies across different agricultural activities. They also draw income from farm-based investment (i.e., tractor hire and providing transport to markets). Income generation from farming activities is however, complemented by alternative sources of income from nonfarming activities – formal employment, trading/vending, selling garden produce or fruits.

Rural development has also been improved by small scale farming, for instance, though farm labour is typically provided by family, hired casual/seasonal labour is present.

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879 Mutami op cit note 873 at 145.
881 Moyo op cit note 880 at 953.
883 WBG op cit note 868 at 7.
884 Moyo op cit note 880 at 949, Anseeuw et al op cit note 878 at 31.
887 Sukume et al op cit note 885 at 84.
888 Ibid at 105, Moyo op cit note 880 at 958, Moyo op cit note 863 at 513.
particularly for labour intensive crops such as tobacco. Hired labour averages two workers on A1 farms and four workers on A2 farms. Studies have also shown the expansion of agricultural production in rural areas across the country. This has had multiplier effects; services have developed in rural areas, for example suppliers of agricultural inputs have brought their retail outlets closer to farmers and local transport operators carry the produce to markets, thus improving the rural local economy. In addition, income from agricultural surpluses circulates locally in formal and informal businesses that have sprung in the rural areas and adjacent towns, which include among others, grocery and hardware shops, butcheries, and vendors.

6.3.1.3 Select challenges to small scale farming

There are many challenges to small scale farming in Zimbabwe which are beyond the scope of this research, generally, these constraints include inputs, financial resources, water, and markets. This section highlights just a few and focuses on those were trademarks and geographical indications could potentially be useful, i.e., market access.

The constraints around market access results from among others, inadequate resources, low yields, irregular supply, and quality of produce. These challenges also derive from lack of access to credit to invest in farming activities due to several reasons: lack of security/collateral, high interest rates and the complexity of procedures. Mudimu states that support given to farmers is inadequate to ensure they produce for markets and that is compounded by the high transaction cost in accessing markets.

890 Sukume et al op cit note 885 at 84.
891 Mutami op cit note 873 at 154.
892 Sukume et al op cit note 885 at 20, Scoones et al op cit note 863 at 971, Moyo op cit note 863 at 505.
893 Sukume et al op cit note 885 at 85.
894 Ibid at 89.
896 The country has experienced economic challenges that have had significant impact on agricultural production by small scale farmers, see Scoones et al op cit note 863, Moyo op cit note 863, Mutami op cit note 873, Moyo op cit note 880, Dekker & Kinsey op cit note 889.
897 Proctor et al op cit note 866 at 74.
898 Moyo op cit note 880 at 958.
Access to inputs like (seed, chemicals, fertilizer, and farm machinery) is often hampered by costs and contract farming has become a way to not only access inputs, but a market for produce. Small scale farmers have accessed inputs through engaging in contract farming, which is described as ‘an agricultural production system based on an agreement between buyers and farmers, and which established conditions for the production and marketing of farm product’.

Contract farming has found the support of the government particularly for crops like cotton, sugar, and tobacco. Though however, contract farming been criticised for being exploitative, in some instances where the farmers are provided inputs that are overpriced and made to sell at minimal prices.

In integration into supply chains products must comply with quality strict standards, for example exports of horticultural products by small scale farmers to Europe. Compliance with standards entails improving the production processes. Proper post-harvest handling and storage ensure quality maintenance, especially for perishable produce. Farmers lack the knowledge and resources to meet the requirements and, due to the unreliability of consistent quality products, their ability to participate in markets is limited.

The challenges around market access, at least in relation to quality of products, could be aided by adopting strategies that facilitate joint action among producers. Liesdek and Ansenk state that grouping and forming farmers associations may help farmers to ‘reduce transaction costs, gain better access to input and service suppliers’. Mutami also reiterates the importance of producer organisations in not only price negotiations but knowledge transfer on best practices for farming. Market access could therefore be supported, where feasible, by certification and collective marks, or geographical indications.

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900 Mutami op cit note 873 at 148, at Moyo op cit note 880 at 509, Proctor et al op cit note 866 at 8.
902 Mazwi et al op cit note 876 at 235.
903 Scoones et al op cit note 901 at 23.
904 Mutami op cit note 873 at 152.
905 Liesdek & Ansenk op cit note 886 at 24.
907 Liesdek & Ansenk op cit note 886 at 35.
908 Mutami op cit note 873 at 154.
6.3.2 Small scale agricultural production in South Africa

The characterisation of small scale farmers in South Africa is contested among scholars\(^909\), it is constituted by a continuum of farm types ranging from subsistence to commercial\(^910\). Scholars characterise small scale farmers as subsistence and smallholder farmers\(^911\), while others add a third category of emerging farmers (beneficiaries of land reform and those purchasing private land)\(^912\). Characterisation is also difficult due to the lack of data on small scale farmers\(^913\). The Department of Agriculture, Land Reform and Rural Development defines ‘smallholder producer’ as a ‘venture undertaken by an individual or business entity for the purpose of household consumption and deriving a source of income from agriculture activities along the value chain’\(^914\). It thus encompasses a broad range of producers.

6.3.2.1 Regulatory and policy framework

The Department of Agriculture, Land Reform and Rural Development is mandated to coordinate the development and implementation of agricultural, forestry and fisheries policies, strategies, and programmes in South Africa\(^915\). Within the department, is the Directorate for Smallholder Development, which among other functions, provides guidelines for development of small scale farmers, programs to support small scale farmers become commercial farmers, monitors and evaluates policies for small scale farmers and coordinates activities with other government departments\(^916\). It oversees the Strategic Plan for


\(^913\) Cousins op cit note 909 at 117.


Smallholder Support (SPSS), aimed to coordinate, and align the programmes targeted towards small scale farmers.917

Among the government interventions include the Integrated Agriculture Development Finance Policy Framework (IADFP) for Smallholder Farmers, which is intended to ‘create an enabling environment for the development of a sustainable and viable development financial system in the agricultural sector’. It outlines financial options to support small scale farmers (among these grants and loans), support to enable small scale farmers to become commercial farmer, and the roles and responsibilities of stakeholders that provide financial services.918

The policy is implemented through the financial schemes targeted to improve the production capacity of farmers. These include: Micro Agricultural Financial Institutions of South Africa (MAFISA) (a loan scheme for the purchase of inputs and farm equipment) and Ilima/Letsema (aimed to facilitate production inputs particularly in communal areas)919. There is also the Comprehensive Agricultural Support Program (CASP) aimed to provide support to beneficiaries of land reform and producers who acquired land and are engaged in value adding enterprises. It offers comprehensive support which include on and off farm infrastructure, training, technical and advisory services, financial support, business development and marketing.920

Despite the government interventions, there is criticism that institutional capacity and support to small scale farmers is inadequate. Agricultural support – inputs, training, extension services, loans – to small scale farmers has been inadequate arising from the poor use of resources by the government departments responsible for supporting farmers.921 Among the criticism is the inadequacy of government extension programmes to small scale farmers.922

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920 Ibid.
921 Aliber & Hall op cit note 911 at 552.
and the lack of coordination in implementing the different policies\textsuperscript{923}. Without agricultural support, the viability of small scale farming and its’ contribution to the country’s development is limited.

6.3.2.2 The role of small scale farming in South Africa

Scholars note that agriculture plays a ‘dual role as a safety net and as a way of deriving an entrepreneurial income’\textsuperscript{924}. Small scale agricultural production is mostly for household consumption\textsuperscript{925}. Nonetheless, it constitutes an important source of food in South Africa and, in 2019 about 75 per cent of households that were involved in agriculture were engaged in it to secure an additional source of food\textsuperscript{926}. This represents an important contribution by small scale farming to food security in South Africa.

Small scale farmers also supply markets, both formal (processors, retailers) and informal markets (vendors)\textsuperscript{927}. Those that engage in farming for domestic consumption sell the surplus for income, selling the produce to consumers and traders. This contributes to income generation for households, about 8 per cent engage in it as a main or extra source of income\textsuperscript{928}. However, income generation is supplemented by other non-farming sources for example wages, remittances, welfare from the state and other entrepreneurial activities\textsuperscript{929}.

Small scale farming is also recognised as a crucial aspect in rural development\textsuperscript{930}. The role of small scale farming in rural development is linked to the high concentration of small

\textsuperscript{925} M Aliber and T Hart ‘Should subsistence farming be supported as a strategy to address rural food security’ (2009) 48 (4) Agrekon 434-458, Aliber et al op cit note 922, Thamaga-Chitja & Morojele op cit note 923.
\textsuperscript{927} A Obi, HD van Schalkwyk and A van Tilburg ‘Market access, poverty alleviation and socio-economic sustainability in South Africa’ In HD van Schalkwyk, JA Groenewald, GCG Fraser, A Obi, and A van Tilburg (eds) Unlocking markets for smallholder in South Africa (2012) 13-33 at 25, Chikazunga & Paradza op cit note 910 at 8.
\textsuperscript{928} Aliber et al op cit note 922 at 5.
\textsuperscript{929} Chikazunga & Paradza op cit note 910 at 7, B Cousins ‘Accumulation from below and the Tugela Ferry Irrigation Farmers’ In S Greenberg (ed) Smallholders and agro-food value chains in South Africa: emerging practices, emerging challenges (2013) 80-89 at 85.
scale farmers in rural areas. They offer occasional employment (seasonal labour)\textsuperscript{931} and have the potential to create employment in remote areas, as they are generally labour intensive mainly due to their limited agricultural machinery/equipment\textsuperscript{932}. Besides the seasonal labour, Chikazunga and Paradza state that their participation in supplying markets ‘has a value chain multiplier effect if it promotes the establishment of local enterprises in the downstream and upstream value chain stages, for example hawkers and bakkie trader’\textsuperscript{933}.

6.3.2.3 Select challenges to small scale farming

Small scale farmers face several challenges documented in the literature\textsuperscript{934} of significance to this thesis is market access. Participation of small scale farmers on the markets is limited due to low productivity, financial resources, farming machinery and equipment, and poor post-harvest infrastructure\textsuperscript{935}. These hinder the productivity of small scale farmers and Ortmann and Machethe argue that agricultural productivity among small scale farms can be improved if they have access to support services and markets\textsuperscript{936}.

High transaction costs also limit the participation of farmers on the market\textsuperscript{937}. Transaction costs arise from a few factors which include physical proximity to markets, poor infrastructure (particularly road networks) and access to market information. Studies show a higher likelihood of small scale farmers participating in formal markets where they are within close proximity to markets\textsuperscript{938}. Chikazunga and Paradza note that the choice of a marketing

\textsuperscript{931} Jacob & Hart op cit note 930 at 162, Chikazunga & Paradza op cit note 910 at 9, Aliber et al op cit note 922 at 55.
\textsuperscript{932} R Hall ‘Land reform how and for whom? Land demand, targeting and acquisition’ In R Hall (ed) Another countryside, policy options for land and agrarian reform in South Africa (2009) 63-91, Aliber et al op cit note 922 at 14, Cousins op cit note 929 at 85.
\textsuperscript{933} Chikazunga & Paradza op cit note 910 at 10.
\textsuperscript{935} Louw et al op cit note 163 at 296 and Jari & Fraser op cit note 906 at 62.
\textsuperscript{938} Chikazunga op cit note 937 at 18.
channel is largely determined by the smallholders’ pursuit of favourable prices with minimum transaction costs\(^\text{939}\).

Compliance with quality standard is another hurdle to small scale farmers’ participation in the markets\(^\text{940}\). These are the norm in formal markets and farmers lack the knowledge and resources to meet the requirements. In export markets, traceability, product certification and environmental standards have increased in significance\(^\text{941}\), adding another layer to the complexity in market participation. The lack of resources therefore has multiple impact on the ability of small scale farmers to access markets.

There have been suggestions that collectives could potentially resolve some of the limitations to market access\(^\text{942}\). Studies show some small scale farmers belong to agricultural collectives or are organised around commodity associations\(^\text{943}\). Such collectives can be useful in overcoming limitations to market access due to the potential for joint action. Particularly when supplying formal markets, collective action may address transport costs, negotiations for prices and administrative costs\(^\text{944}\), and may offer training to farmers in product quality and marketing\(^\text{945}\). Scholars note that collectives can enable small scale producers to gain economies of scale and increase their countervailing power\(^\text{946}\). Some suggest using ‘small farmer/smallholder logo produced logo’, to improve market integration\(^\text{947}\), in a way adopting a distinguishing strategy.

6.4 Opportunities to use trademarks and geographical indications

SMEs and small scale farming are crucial in both the Zimbabwean and South African context. Though they face challenges as discussed above, there are opportunities to use

\(^{939}\) Chikazunga & Paradza op cit note 910 at 1.
\(^{941}\) A van Tilburg, L Magingxa, EV Kambewa, HD van Schalkwyk and AZ Gudeta ‘Smallholder market access and governance in supply chains’ In HD van Schalkwyk, JA Groenewald, GCG Fraser, A Obi, and A van Tilburg (eds) Unlocking markets for smallholder in South Africa (2012) 219-241 at 232.
\(^{942}\) A van Tilburg and HD van Schalkwyk ‘Strategies to improve smallholders’ market access’ In HD van Schalkwyk, JA Groenewald, GCG Fraser, A Obi, and A van Tilburg (eds) Unlocking markets for smallholder in South Africa (2012) 35-51 at 41, Jari & Fraser op cit note 906 at 82, Chikazunga op cit note 937 at 20.
\(^{943}\) Chikazunga & Paradza op cit note 910 at 7.
\(^{944}\) Chikazunga op cit note 937 at 20 and Jari & Fraser op cit note 906 at 73.
\(^{946}\) Jari & Fraser op cit note 906 at 73, Chikazunga op cit note 937 at 20, van Tilburg & van Schalkwyk op cit note 942 at 41.
\(^{947}\) Armour op cit note 168 at 69.
trademarks and geographical indications. There are a few products from SMEs that could benefit from trademark protection and unique agricultural products that could benefit from geographical indication protection. The discussion in this section highlights some areas where trademarks and geographical indications may be useful in the study countries.

6.4.1 Zimbabwe

The Zimbabwe National Intellectual Property Policy and Implementation Strategy (2018-2022) (IP Policy) speaks to inclusive and sustainable development by leveraging the country’s IP potential. Specifically, for SMEs, it mentions collective marks and geographical indications, it however, does not mention certification marks. Nonetheless, this shows a recognition of the benefits of these rights for SMEs. The Minister of Finance in the National Budget statement for 2020 allocated funding to SMEDCO and highlighted that SMEs ought to make use of trademarks.

Specifically, for agriculture, the IP Policy mentions geographical indications. There are products that have been identified that could potentially be registered as geographical indications; tobacco, coffee, and tea. The next chapter will explore the potential of a legal protection strategy for Chipinge coffee to compliment the discussion of trademarks and geographical indications. The discussion in this section focuses on furniture manufacturing SMEs that could use certification and collective marks.

6.4.1.1 Furniture manufacturing SMEs

Some SMEs manufacture furniture and provide good quality products at a competitive price. An oft cited example is the Glenview furniture manufacturing cluster. The SMEs

948 IP Policy, s 2.4.9.
950 IP Policy, s 2.4.1.
952 Zindiye et al op cit note 787 at 661.
in the cluster supply furniture to some of the major furniture retail shops\textsuperscript{954}, provide custom-made furniture and studies note the potential of the cluster to venture into exporting the furniture\textsuperscript{955}. The Glenview Furniture Complex was set up by the Ministry of SMEs, with land donated by the Harare municipality in 2005, to establish a cluster of SMEs on the outskirts of a low-income suburb called Glenview\textsuperscript{956}. The SMEs manufacture and sell their products at the complex, they offer a diverse range of furniture, among others – lounge and dining room suites, coffee tables, kitchen cabinets, chairs, and wall units\textsuperscript{957}.

Access to the market is a limiting factor to the growth of the furniture manufacturers\textsuperscript{958}. In addition, competition is stiff from large furniture manufacturing companies and imported products\textsuperscript{959} and the SMEs must find innovative ways to distinguish their products. There is an association, the Glen View Furniture Complex Association\textsuperscript{960} made up of SMEs within the complex which has been active in furthering the interests of its’ members\textsuperscript{961}. It is possible to consider a distinguishing mark with the Association as the proprietor. The Association could register a certification mark as provided by s 5 (2)(c) and s 42 (1) of the Trade Marks Act or a collective mark as provided by s 100A of the Trade Marks Act.

As discussed in the previous chapter\textsuperscript{962} an application for registration of a certification mark must be accompanied by draft rules governing the use of the mark\textsuperscript{963}. Crafting the rules that would govern the use of the mark as required by s 44 (2) of the Act may pose challenges. The furniture complex is made up of approximately 1 300 SMEs\textsuperscript{964}, whether they are all members of the Association, cannot be ascertained. Another potential obstacle is the suitability of the Association to certify the furniture products. In terms of s 44 (5)(a) of the Act, the Registrar considers whether the applicant is competent to certify the goods or services in respect of which the mark is to be registered. The effect of this is that the Registrar undertakes not only an assessment of distinctiveness of the mark, but suitability of the

\textsuperscript{954} A Chipangura and N Kaseke ‘Growth constraints of small and medium enterprises (SMEs) at Glenview Furniture Complex (GFC) in Harare, Zimbabwe’ (2012) 2 (6) International Journal of Marketing and Technology 40-83 at 45.
\textsuperscript{955} Chingwaru & Jakata op cit note 786, Karedza & Govender op cit note 795, Sibanda et al op cit note 953.
\textsuperscript{957} Chipangura & Kaseke op cit note 954 at 45.
\textsuperscript{958} Ibid at 64, Bomani op cit note 780 at 285, Muponda op cit note 956 at 158.
\textsuperscript{959} Mudavanhu et al op cit note 786 at 87, Bomani op cit note 780 at 285, Chipangura & Kaseke op cit note 954 at 63.
\textsuperscript{960} Chipangura & Kaseke op cit note 954 at 44.
\textsuperscript{961} Ibid at 45.
\textsuperscript{962} Trade Marks Act, s 4.2.2.
\textsuperscript{963} Trade Marks Regulations, reg 71.
\textsuperscript{964} Muponda & I. Chaneta op cit note 22 at 51.
certification mark. Perhaps, given the perception of the location of the Glenview furniture complex\textsuperscript{965}, it is possible that the ability of the Association to certify quality of the furniture could be questioned.

It is also possible to consider a collective mark, s 100A of the Act simply requires that the mark must be capable of distinguishing the goods of persons who are members of an association\textsuperscript{966}. In terms of the Trade Marks Regulations, an application for registration of a collective mark must be accompanied by a copy of the constitution of the association\textsuperscript{967}. It therefore means, to register a collective mark for the cluster, the Glen View Furniture Complex Association must be formally constituted. The Trade Marks Act contains no requirements for quality or standards, neither are there requirements for rules governing the use of the collective mark. If it is difficult to scale a certification mark, as discussed above, there is the option to pursue a collective mark which has less rigorous requirements, while developing capacity to use certification marks which emphasise standardisation.

6.4.2 South Africa

6.4.2.1 Clothing and textiles SMEs

The South African government has supported the formation of clothing and textiles clusters\textsuperscript{968}, among these is the KwaZulu Natal Clothing and Textiles Cluster (KZN Cluster). The KZN Cluster is a public-private partnership between the eThekwini Municipality, the KwaZulu Natal Department of Economic Development, Tourism and Environmental Affairs and local clothing, textiles, footwear and leather manufacturers and retailers\textsuperscript{969}. Established in 2005, its objective is to improve the competitiveness of the local clothing and textiles sector to compete in the global market. It implements programs to improve firm level competitiveness, inter-firm cooperation, and value chain integration through research, learning and developmental activities\textsuperscript{970}.

\textsuperscript{965} Chipangura & Kaseke op cit note 954 at 64.
\textsuperscript{966} Section 100A (1).
\textsuperscript{967} Trade Mark Regulations, reg. 76 (b).
\textsuperscript{970} Ibid.
The KZN Cluster is identified as a successful cluster, its activities have facilitated economies of scale. Scholars note the characteristics of the cluster around labour supply, specialised services, and customer attraction. It has facilitated collective action around learning and logistics, but not marketing. It therefore is an example of a cluster that could adopt an IP strategy to improve marketing and enhance the reputation of members of the cluster, particularly as some of its members export their products.

The KZN Cluster, is a registered not-for-profit company, in that capacity it can register a trademark. As discussed in chapter 4, in terms of s 9 (1) of the Trade Marks Act the mark must be capable of distinguishing, either inherently capable or by reason of prior use. The KZN Cluster could register a name and a logo as in terms of s 2 (1)(x) of the Act, a mark can be any sign that can be represented graphically for example a shape, configuration, or pattern. It can also be a combination of name and a shape.

Collective and certification mark could also be an option for the KZN Cluster. In terms of s 43 (1) of the Act it can register a collective mark on behalf of its members as it is composed of paying members and governed by a constitution. It can therefore meet the requirements for a collective mark as the law provides that there be rules governing the use of the collective mark, which also specify the conditions for membership and persons authorised to use the mark. The option of a certification mark would be appropriate if the KZN Cluster does not carry out trade in the clothing sector. This is because in terms of s 42 (1), the proprietor of the mark certifies the characteristics of the goods or services but does not carry out trade in respect of those goods.

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973 Ibid.

974 KZN Clothing and Textile Cluster op cit note 969 at 21, Moloi op cit note 971 at 73.

975 Moloi op cit note 971 at 62.

976 Moloi op cit note 971 at 63.

977 Trade Marks Regulations, reg. 57 (3).
6.4.2.2 South Africa’s experience with geographical indications protection

In South Africa, certification marks have been used to protect some of the origin-based products like Rooibos and Karoo lamb. However, in Zimbabwe, there are no local products that have been protected in a similar way, whether under certification or collective mark or under the Geographical Indications Act. This section explores some South African experiences on protecting origin-linked products. As Zimbabwe has not had experience with protecting local origin-linked products, the next chapter will discuss the findings of a case study on small scale coffee farmers in the Eastern Highlands of Zimbabwe, to explore the potential for a trademark or geographical indication for Chipinge coffee in Zimbabwe.

6.4.2.2.1 Rooibos

Rooibos tea is one of the most recognised South African products\(^{978}\). A popular tea, it has gained global recognition because of its flavour and health benefits. Traditionally used as a general health tea\(^ {979}\) the *Aspalathus linearis* plant is grown from the indigenous fynbos species found only in the Northern and Western Cape provinces of South Africa. In 2019, exports of Rooibos tea totalled 7 693 tons, with the biggest markets being Germany, Japan, Netherlands, and UK\(^ {980}\).

The region where it grows has a unique ecology/climate, experiencing cold and wet winters between May and August, with rainfall between 200 mm and 450 mm per year, and hot, dry summers. The acidic and coarse sandy soils also make the area ideal for cultivation and in some parts the plant grows naturally. The cultivation practices retain some of the


traditional methods which can be traced back to the Khoi-San. The production process influences the quality of the tea. With harvesting methods, handpicking is considered to produce finer tea and the fermentation process gives it the red colour and enhances the flavour of the tea.

The first challenge to the Rooibos name was in 2001. A South African company, Forever Young, had registered the name as a trademark in the US in 1994. In 2001, it assigned the mark to Burke International, its agent in the US. It was then that the issue drew interest from the South African government realising the potential loss to the heritage. The national Department of Trade and Industry and the Western Cape Government supported Rooibos Limited, a private company involved in Rooibos tea processing and marketing, to contest the registration of the name in the US. Significant costs were incurred in legal disputes to recover the name. It is estimated that almost ZAR 6 million was spent in legal fees and after almost ten years, the mark was finally cancelled in 2005.

Rooibos is not a geographical area, to use the strict interpretation of the TRIPS; however, it is unique to the Cederberg region and fulfils the requirements for quality or characteristics attributable to geographic origin. After the legal challenge with Burke International, South Africa could have used the opportunity to begin a process to protect the name. However, in 2013, there was an attempt at misappropriation after a French company, Compagnie de Trucy, tried to register several expressions comprising the name Rooibos as individual trademarks in France.

The then Minister of Trade and Industry in South Africa made a request to the EU to prevent the action by the French company. The Minister also published, in terms of the Merchandise Marks Act, a prohibition notice on the labelling of Rooibos products and rules of use for the name. Rooibos is now protected in South Africa through the Merchandise

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981 Gerz & Bienabe op cit note 978 at 55.
982 Ibid.
983 Bienabe & Marie-Vivien op cit note 16 at 60.
984 Gerz & Bienabe op cit note 978 at 59.
985 Bienabe & Marie-Vivien op cit note 16 at 62, state that a significant obstacle to the development of a geographical indication for Rooibos was the lack of an appropriate public framework. The point being that even though protection could have been available in terms of the trademark regime, the challenge of misappropriation beyond borders can only be addressed provided there is protection domestically, that is, there is no obligation to protect foreign geographical indications that are not registered in the country of origin in terms of TRIPS Agreement, art. 24 (9).
987 Government Gazette No 36807 of 6 September 2013.
Marks Act\textsuperscript{988}. In 2015 South Africa, as part of SADC, entered into an Economic Partnership Agreement with the EU, and the agreement contains a bilateral protocol on geographical indications between South Africa and the EU\textsuperscript{989}. There are 105 names for South African products listed and Rooibos tea is one of the products that is protected in the EU under the EU-SA trade agreement\textsuperscript{990}. South Africa has thus secured protection of origin-linked products in the EU.

6.4.2.2.2 Karoo Lamb

South Africa’s next experience with geographical indications was different from what transpired under the Rooibos case. The geographical indication for Karoo lamb developed due to the realised need to preserve the quality and reputation of the Karoo lamb\textsuperscript{991} and not as a reaction to misappropriation in foreign territories. It is the first meat geographical indication in the country under the certification mark Karoo Meat of Origin\textsuperscript{992} registered in 2011 by the Karoo Development Foundation in terms of the Agricultural Products Standards Act. Like Rooibos, Karoo meat is one of the products protected in the EU under the EU-SA trade agreement.

The Karoo region covers a vast part of the country stretching from the Northern Cape into the Eastern Cape and the Free State provinces. Typified by flat dry shrubland, the area receives little rainfall less than 500mm per year\textsuperscript{993}. Sheep production in the area is largely organic, the sheep roam free on the grazing land and farmers only treat typical sheep diseases


\textsuperscript{990} Protocol 3, art 7.

\textsuperscript{991} van der Merwe et al op cit note 16 at 659.

\textsuperscript{992} The Karoo Development Foundation, established in 2009 by the Karoo farmers, to create ‘a sense of local ownership and pride in the unique and diverse cultural, architectural and natural heritages of the Karoo, promote regional cohesion in the Karoo, and promote sustainable socio-economic development in the Karoo’ owns the certification mark. See Karoo Development Foundation ‘Karoo Lamb, available at https://karoofoundation.co.za/karoo-lamb/, accessed on 27 December 2020.

\textsuperscript{993} C Bramley, E Bienabe and J Kirsten ‘The economics of geographical indications: towards a conceptual framework for geographical indication research in developing countries’ In WIPO The economics of intellectual property, suggestions for further research in developing countries and countries with economies in transition (2009) 109-149 at 132.
with chemicals. The taste of the meat is largely attributed to this method of production\textsuperscript{994}, van der Merwe (2018) notes that the ‘special diet of Karoo herbs gives the meat a unique ‘spiced-on-the-hoof’ taste’\textsuperscript{995}.

The Karoo Development Foundation crafted the rules and guidelines for use of the mark. They outline the region of production, minimum requirements to qualify for certification (for farmers, abattoirs, slaughtering facilities, meat packers and processors), consequences of non-compliance and the application and license fees. In terms of the rules for the certification mark, it can only be used in connection with meat (mutton and lamb), regardless of breed, produced and slaughtered in the Karoo region and only animals originating from the Karoo region qualify for certification\textsuperscript{996}.

6.5 Clustering as a strategy to develop capacity to use trademarks and geographical indications

As a framework for building capacity to use collective rights, clusters can facilitate collaboration among small scale producers and enable the standardisation of quality of a common product\textsuperscript{997}. Clustering can facilitate the growth of SMEs especially as clusters have become widespread in urban areas on the continent\textsuperscript{998}. It can also be a way to overcome size constraints and potential for joint action. Naude et al argue that clustering can be particularly

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\textsuperscript{995} Van der Merwe et al op cit note 16 at 659, T Weissnar and G du Rand ‘Consumer perception of Karoo lamb as a product of origin and their consequent willingness to purchase’ (2012) 47 (2) Food Research International 272-278, found that consumers preferred Karoo lamb mainly due to its brand, taste, and perceived high quality.


transformation for SMEs in South Africa\textsuperscript{999}. Scholars note that clusters enable smaller enterprises to employ their limited financial resources to generate revenues and benefit from skills specialisation within the group of firms\textsuperscript{1000}, and clusters operate as drivers for cooperation and competitiveness\textsuperscript{1001}. This thesis submits that clustering can address some of the challenges faced by small scale producers and develop capacity to use trademarks and geographical indications by these enterprises.

6.5.1 Defining clusters

The United Nations Industrial Development Organization (UNIDO) has supported various developing countries in establishing clusters and defines clusters as ‘geographical concentrations of inter-connected enterprises and associated institutions that face common challenges and opportunities’\textsuperscript{1002}. The definition of a cluster embodies two main aspects, geographical aspect – location of enterprises within a geographical space – and sectoral aspect – enterprises engaged in similar or related activities\textsuperscript{1003}. As to what drives the establishment of clusters, Yoshino states that there are two main types, one arises out of deliberate government policies and the other forms spontaneously because of economic and social conditions on private industries\textsuperscript{1004}.

Marshall highlights why clustering could be useful to small enterprises, in his seminal work he noted that agglomeration of firms that were involved in similar or related activities developed external economies (also called positive externality, exists when the actions of one actor create benefits for another actor) that reduced the transaction costs of the enterprises in a cluster\textsuperscript{1005}. Among the identified external economies include market access, specialised labour pool, easy access to specialist suppliers of inputs and services and dissemination of

\textsuperscript{1000} Muponda & Chaneta op cit note 22 at 56, Yoshino op cit note 998 at 53-4.
\textsuperscript{1004} Yoshino op cit note 998 at 43.
new knowledge (technological spillovers). The literature that emerged, especially in developing countries, observed among other advantages, a conscious effort on the part of firms to engage in joint action\textsuperscript{1006}.

The benefits of clusters for small businesses in Africa has been the subject of research, identifying common emergence of clusters around geographical proximity and manufacturing\textsuperscript{1007}. Clustering can facilitate the growth of SMEs by alleviating some challenges faced by SMEs, it can enable them to avoid isolation and leverage competitive advantage to improve market access. It can lead to technological spillovers, labour market pooling, and availability of specialised inputs and services\textsuperscript{1008}.

6.5.2 Collective efficiency and improved market access

Key to small and medium enterprises is increase sales and thus gain more returns from their activities. Clusters can bring what Schmitz and Nadvi term ‘collective efficiency’ and defines as ‘the competitive advantage derived from external economies and joint action’\textsuperscript{1009}. The concentration of similar or related activities attracts the skilled labour for the cluster and hence labour pooling. When firms attract labour, which can be shared within the cluster, depending on the production process, they reduce their costs in sourcing labour.

It is not only labour pooling that occurs in clusters but also the emergence of specialised suppliers of inputs and services within the cluster. McCormick notes that sometimes this is because of specialisation within the cluster or the attraction of outside firms into the cluster\textsuperscript{1010}. This can improve the output of the cluster in terms of the quality of the product


\textsuperscript{1008} D McCormick and B Oyelaran-Oyeyinka ‘Clusters and innovation systems in Africa’ In B Oyelaran-Oyeyinka and D McCormick (eds) Industrial clusters and innovation systems in Africa: institutions, markets, and policy (2007) 6, Yoshino op cit note 998 at 43, UNIDO op cit note 1001 at 7.


\textsuperscript{1010} McCormick op cit note 1003 at 32.
and market reach. In addition, ‘strong knowledge-sharing environment of clusters fosters trust relationships among cluster-based entrepreneurs’\textsuperscript{1011}, facilitates collective efficiency.

SMEs already incur significant transaction costs which affect their participation in the market, and this is compounded by the search costs of identifying suppliers for the inputs needed for production and identifying buyers for finished products. But as clusters occur around similar or complementary activities, enterprises attract both local (that is among themselves) and distant buyers and thus furthering market access\textsuperscript{1012} and reduce some of the transaction costs. This is because when within proximity firms can engage in sharing of ‘intra-cluster public goods’, for example infrastructure such as storage or training facilities\textsuperscript{1013}.

Even in the context of agriculture clustering can yield advantages. Sectoral concentration can attract the establishment of shared infrastructure, especially for products not directly linked to exporters. In a study on coffee outgrowers in Rwanda, Musana and Murenzi noted that concentration in a location attracted the development of processing factories and washing stations and there was ease of access to inputs and government support\textsuperscript{1014}. The clusters had developed based on the value chains of marketing export crops. In Zimbabwe, some farmers have organised themselves around clusters known as Commodity Industry Groups (CIGs), the intention being to reduce the losses from spoilage caused by lack of storage or poor handling when transporting products to the market\textsuperscript{1015}. The same is observed in South Africa with collectives of small scale farmers and commodity associations\textsuperscript{1016}.

\begin{thebibliography}{9}
\bibitem{1011} Yoshino op cit note 998 at 44.
\bibitem{1012} McCormick op cit note 1003 at 32, Kaplinsky & Morris op cit note 972 at 53, M Morris and J Barnes ‘Regional development and cluster management: lessons from South Africa’ at 5-6 https://open.uct.ac.za/bitstream/handle/11427/19847/Morris_Regional_2006.pdf?sequence=1, accessed on 20 October 2020.
\bibitem{1013} Yoshino op cit note 998 at 50.
\bibitem{1014} S Musana and I Murenzi ‘Industrial clusters and indigenous private sector in Africa: the case of Rwanda’ World Bank Background Technical Paper (2009). However, in the case of a pineapple cluster in Ghana, the results were not as conclusive, a key difference being the farmers had direct access to exporters. See also D de Boer and J Langat ‘Dairy clustering in Kenya’ in A Akinuyoade, W Klaever, S Soeters and D Foeken (eds) Digging deeper: inside Africa’s agricultural, food and nutrition dynamics (2014) 113-156.
\bibitem{1016} Chikazunga & Paradza op cit note 910 at 7.
\end{thebibliography}
6.5.3 Joint action

Within clusters enterprises may choose to cooperate and collaborate\textsuperscript{1017} and joint action for instance in groups or associations can bring advantages to the cluster. Joint action can be vertical or horizontal, with vertical cooperation it is between a supplier and a customer and with horizontal cooperation enterprises at the same level come together to fulfil an objective. Rogerson (2000) states that ‘the potential for joint action, positive learning and imitation are greatly enhanced in the circumstances of a sectoral and geographical cluster of enterprises’\textsuperscript{1018}. Yoshino found evidence of joint action in sales practices and breaking into distant markets\textsuperscript{1019} particularly through cluster associations.

Firms can engage in joint action to improve and maintain the quality of common products. There are non-price competition factors, that is, other factors besides price of a product that can affect the performance of a product on the market. Among others these include elements like packaging of products, quality, and standardisation, which SMEs should focus on improving if they are to break into foreign markets\textsuperscript{1020}. An oft cited example is the fish processing firms in Uganda which jointly explored options through the association to comply with the EU phytosanitary standards and invested in testing tools\textsuperscript{1021}.

This is not to say that cluster dynamics do not exist, indeed there can be different interests and expectations which could limit the effectiveness of the collective\textsuperscript{1022}. Cluster development depends on the willingness of firms to cooperate with each other. Joint action requires an element of trust, honesty, and commitment\textsuperscript{1023}. Now more than ever it has become necessary for firms to cooperate. The influx of products and service provision from different

\textsuperscript{1017} This is the part of collective efficiency which Schmitz & Nadvi op cit note 1009, term ‘active’, meaning it is a conscious decision on the part of firms to engage in joint action.
\textsuperscript{1018} Rogerson op cit note 1001 at 712.
\textsuperscript{1019} Yoshino op cit note 998 at 79-80.
\textsuperscript{1021} R Kiggundu ‘Learning to change: why the fish processing clusters in Uganda learned to upgrade’ In B Oyelaran-Oseyinka and D McCormick (eds) Industrial clusters and innovation systems in Africa: institutions, markets, and policy (2007) 168.
\textsuperscript{1022} Adewopo et al op cit note 997 at 120, found that management fragmentation was a potential challenge to a communal trademark for the textile association in Nigeria.
\textsuperscript{1023} MB Masuku, JF Kirsten, CJ Van Rooyen and S Perret ‘Contractual relationships between small-holder sugarcane growers and millers in the sugar industry supply chain in Swaziland’ (2003) 42 Agrekon 183-199.
parts of the world into the local economies, mean SMEs must improve to overcome the pressure and that requires improved cooperation and collaboration\textsuperscript{1024}.

Clusters thus provide a framework upon which cooperation among small scale producers can begin and thus facilitate conditions to develop capacity to use distinguishing marks. Not only does clustering facilitate the growth of small scale producers, the other benefits arise from the social networks created. Ghafele observes that collective ownership under collective marks ‘triggers social arrangements of collaboration and cooperation, allows for syndication of economic activity and inspires teamwork’\textsuperscript{1025} all which are ideal for entities that face size constraints. They enable standardisation which is essential first as a legal requirement for a collective right, i.e., common characteristics of goods or quality, second as an element of reputation in the case of geographical indication.

6.6 Conclusion

SMEs are considered important for economic development in Zimbabwe and South Africa. Though their characterisation may impact the understanding and performance of SMEs, it is evident that they are dynamic players in the economies of the study countries contributing to economic growth, employment, and poverty alleviation. The governments of both countries have dedicated departments to coordinate and implement policies for the development of SMEs. Interventions to support SMEs have included preferential procurement provisions in the indigenisation laws to direct more business and opportunities to SMEs. However, ineffective coordination, fragmentation, and duplication of functions has undercut these efforts in Zimbabwe. In South Africa, the implementation and follow up of the adopted programs has been inadequate and support services have not reached the intended beneficiaries.

With small scale farming, perhaps a key focus is the thrust towards rural development. This is due to the high concentration of small scale farming in the rural areas. The expansion of agricultural production has had multiplier effects stimulating the rural economy. Small scale farmers in Zimbabwe produce some of the main agricultural commodities for export. In South Africa, small scale farmers supply markets, both formal and informal markets. Though

\textsuperscript{1024} Schmitz & Nadvi op cit note 1009 at 1507, highlight that there exists a significant relationship between cooperation and improvement in performance as such increased vertical and horizontal cooperation is essential for instance through trade bodies.

\textsuperscript{1025} Ghafele op cit note 997 at 58.
it is estimated that most farms in Zimbabwe are small scale farms, there is no dedicated government department for small scale farming. This is not the case in South Africa, where there is a directorate for small scale farming. The government of South Africa also adopted a strategic plan for small scale farming aimed to align the programmes targeted towards small scale farmers.

SMEs and small scale farmers face significant constraints that limit their growth. With SMEs the challenges range from the legal and regulatory environment to financial resources. Crucially are marketing related challenges, SMEs lack the skills and resources to adopt marketing strategies and are unable to adequately employ product branding. With small scale farmers, they lack inputs, financial resources, water, labour, and market access. The challenges around market access arise due to several factors – inadequate resources, low yield, quality of produce and high transaction costs. There have been suggestions that collectives could be useful in overcoming limitations to market access due to the potential for joint action.

Some of the challenges around marketing and market access could be addressed by utilising trademarks and geographical indications. This thesis submits that clusters provide a framework upon which Zimbabwe and South Africa can begin to develop capacity for small scale producers to use distinguishing marks. By focusing on clustering African countries will fulfil two objectives in one strategy, improving the efficiency and growth of small scale producers and creating a structure on which to foster the use of trademarks and geographical indications. SMEs and small scale farming are small in nature and may overcome size constraints by clustering and this also opens opportunities for them to use trademarks and geographical indications for indicating origin, marketing and advertising, quality assurance and distinguishing their products and services.

South Africa has had experience with geographical indications as discussed in this chapter, but Zimbabwe has not yet protected local origin-linked products, so the next chapter explores the potential of such a strategy in Zimbabwe. To the researcher’s knowledge there currently is no study that investigates a particular origin-linked product from Zimbabwe and so this study offers new insights as it discusses the findings of a case study on small scale coffee farmers in the Eastern Highlands of Zimbabwe.
Chapter 7 - Exploring the potential for a trademark or geographical indication for small scale producers: Zimbabwe’s Chipinge Coffee

7.1 Introduction

The purpose of the thesis is to understand how developing countries in Africa can utilise trademarks and geographical indications to advance their economic development objectives. Enabling small scale producers to appropriate these rights can improve their market access and facilitate growth. This chapter presents and discusses the findings for the case study undertaken in Zimbabwe on the potential of trademarks and geographical indications. As discussed in the previous chapter, in South Africa certification marks have been used to protect some origin-based products, but in Zimbabwe there are no local products that have been protected in a similar way, even though the legal framework is available. This chapter therefore examines the potential of legal protection, using an exploratory case study of Chipinge coffee. It discusses the perspectives and views of the potential beneficiaries of a trademark or geographical indication protection and whether the institutional framework could support such a strategy. It also discusses structural and operational challenges in using trademarks and geographical indications and raises important issues that affect the adoption of trademarks and geographical indications in the coffee sector in Zimbabwe.

7.2 Research context

Though Zimbabwe is a small player when compared to other coffee producing countries and regions, its coffee gained reputation for balanced acidity and body. Interest in coffee from Zimbabwe has also increased over the last few years with the resurgence of coffee farming in the Eastern Highlands of the country. Nestle, in collaboration with an

international non-profit organisation called TechnoServe, has committed to send agronomists to offer training to about 400 small scale coffee farmers in Zimbabwe. This is part of the project ‘Reviving Origins’, launched to restore coffee farming in areas where production has declined\textsuperscript{1029}.

In 2018, Nestle purchased 95 per cent of the coffee produced by small scale farmers and the coffee has been introduced on the global market, as a limited-edition Arabica coffee known as \textit{Tamuka mu Zimbabwe}\textsuperscript{1030}. The fact that the coffee is attracting a niche market and has no specific brand for identification, apart from the one used by Nestle, raises questions concerning the prospects of trademark and geographical indication protection. For the purposes of this research, the coffee from the Eastern Highlands is referred to as Chipinge coffee, a name derived from the area where the coffee was first grown and used by some authors\textsuperscript{1031} and buyers of the coffee from the entire Eastern Highlands region\textsuperscript{1032}.

Zimbabwe has also shown an interest in using trademarks and geographical indications for unique agricultural products. The IP Policy broadly speaks, to leveraging the country’s IP potential for inclusive and sustainable economic growth and development. Specifically, for agriculture, the IP Policy mentions geographical indications\textsuperscript{1033}. Though it makes no mention of collective or certification marks for agricultural products, these could also be potentially useful for producer associations. This chapter thus explores the usefulness of the different legal protection schemes, using Chipinge coffee as a case study.

\subsection*{7.3 Methodology}

The purpose of the thesis is to better understand how developing countries in Africa can utilise trademarks and geographical indications to advance their economic development objectives. The aim of this section of the thesis is to explore and assess new insights on how that could be done, using the coffee growers of the Eastern Highlands of Zimbabwe as a proxy, by improving the sustainability of small scale farming. A qualitative research method was used, as it is a useful method of collecting and analysing data from different sources\textsuperscript{1034} –

\begin{thebibliography}{99}
\bibitem{1030} Priced at USD 70 for 10 capsules on Amazon.
\bibitem{1031} Kireeva & O’Connor op cit note 11 at 291, Chinedu et al op cit note 11 at 89, Nyakotyo op cit note 17 at 190, Dagne op cit note 951 at 147.
\bibitem{1032} See Espresso & Coffee Guide op cit note 1026.
\bibitem{1033} IP Policy, s 2.4.1.
\bibitem{1034} JW Creswell \textit{Research design qualitative, quantitative, and mixed methods approaches} 5 ed (2018) 27.
\end{thebibliography}
in this case, the state of coffee production in the Eastern Highlands, the perspectives of the
different stakeholders in the sector and, the potential and limitations of adopting a trademark,
certification mark, collective mark, or a geographical indication for the coffee from the
Eastern Highlands.

7.3.1 Research design

The research design of this part is case study based. Zimbabwe has no local origin-
linked product that has been protected by certification or collective mark or under the
Geographical Indications Act, thus an exploratory case study was undertaken to explore the
potential and limitations of such a strategy for Chipinge coffee. A case study is useful for
examining a subject within its contextual setting. It is a suitable method for an in-depth
analysis into phenomena or real life situations especially where conditions or circumstances
surrounding the situation are key to the phenomena, as it relies on multiple sources of
evidence for investigation of a situation\textsuperscript{1035}. There has been no research, to the researcher’s
knowledge, that investigates trademark or geographical indication protection for Chipinge
coffee, and thus an exploratory case study is appropriate for an area where there is a lack of
detailed preliminary research\textsuperscript{1036}.

The limitation of the case study as a research method is that it does not provide a strong
enough basis for generalization to be made broadly about the subject. It is criticised on how
the results can be extrapolated to a large group based on a single case\textsuperscript{1037}. In this case, data
was collected from a few members of a cooperative thus the sample size was small, and the
perspectives shared may not be representative of all coffee growers. Future research could
improve sample size and geographical representation by collecting data from coffee growers
in the other districts. Nonetheless, case studies can help explain phenomena and to that extent
be a steppingstone in understanding situations.

7.3.2 Research questions

The objectives of the exploratory case study were to assess the awareness and
perspectives of coffee stakeholders for a trademark or geographical indication for Chipinge

\textsuperscript{1035} RK Yin \textit{Case study research: design and methods} 4 ed (2009) 18.
\textsuperscript{1037} Yin op cit note 1035 at 15.
coffee; explore whether such legal protection for Chipinge coffee would be feasible; understand the challenges in adoption of either options; and determine whether collaboration within the collective structures could be used to leverage a legal protection strategy.

A semi-structured questionnaire composed of fifteen questions divided into introductory information, perspectives on trademarks and geographical indications, and enterprise development was used for the interviews. The interviews were structured to gain information on the knowledge of the legal protection schemes, the significance, if any, of having a distinguishing mark for Chipinge coffee, support received from government, private companies, or non-governmental organisations (NGOs) and cooperative activities. The questionnaire is attached at the end of this thesis (Annex 3).

7.3.3 Data collection and analysis

Data collection methods included documentation, direct observation, and semi-structured interviews with stakeholders. Primary data was collected via interviews and direct observation. Secondary data was compiled from legal documents, policy documents, research reports and newspaper articles. Using various methods of data collection enabled extensive research and improved the reliability of the findings. The research questionnaire had open ended questions which enriched the data collected and allowed for further elaboration of participants’ responses.

Data was collected on knowledge of trademarks and geographical indications, views on a distinguishing mark for the coffee and collaborative activities within the cooperative. The fieldwork involved direct observations and interviews with small scale coffee farmers in Bvumba, located in the Eastern Highlands of Zimbabwe, in an area called Burma Valley (Figure 1). Bvumba is the area with the higher altitude, cooler temperatures and receives more rain. The choice of coffee growers Bvumba was because the cooperative, from which participants were chosen, had farmers that also raised their own coffee tree nurseries and could therefore provide detailed information on coffee production – from nursery to storage.

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Purposive sampling was used to identify, and recruit participants and snowballing was used to reach more participants through the initial contacts established. The sample was collected from members of a cooperative who were given land that had been subdivided from a commercial farm into smaller holdings. Participants were chosen on five criteria, membership of a coffee cooperative or association, farm size, years of experience in coffee farming, labour hired and wages. For the purpose of this study, land size was used to recruit the participants and that is land size of less than 17 hectares, which is the average farm size for coffee farms in Zimbabwe1040

Ten participants were chosen, and the sample was arrived at through a saturation process, where participants provided sufficient information in response to the interview questions until no new information could be gained from any additional participants. The sample comprised of four female and six male small scale coffee farmers belonging to the cooperative, though gender was not a factor in selecting participants. The participants were only those who earned most of their income (at least 50 per cent) from coffee farming.

The objective for this case study was not only to engage with coffee growers but also with other select stakeholders involved in the coffee value chain to establish whether there is

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1039 Used under Creative Commons License BY 4.0 Shadreck Sande.
1040 Chemura et al op cit note 1038 at 476.
an interest for adopting an IP-based strategy. Thus, in addition to the small scale coffee growers, interviewees came from three other stakeholder categories, Zimbabwe Coffee Mills (ZCM), which plays an intermediary role; officials from the Zimbabwe IP Office (ZIPO) involved in IP Administration; and a researcher from the Coffee Research Institute (CoRI) in Chipinge, a division of the Department of Research and Specialist Services. Ethical clearance for this component of the research was sought and obtained from the University of Cape Town’s Law Faculty Research Ethics Committee.

The interviews with the coffee growers were conducted in person between October and November 2018. The interviews with officials from ZIPO and CoRI were done via email between February and April 2019 and the interviews with the ZCM were conducted via Skype in October 2019. The Information Sheet, used to explain the research to the interviewees, and the Consent Form are attached at the end of this thesis (Annex 1 and 2 respectively)

Interviews were manually transcribed, and the data was hand coded to generate themes and categories which are the main findings of the study. The document analysis and literature review, from the previous chapters, and the primary data were analysed to interpret and understand the results of the study. The text analysis describes and interprets the perspectives of the participants both in terms of coffee production in the Eastern Highlands and legal protection regimes for the coffee. As an exploratory case study, it opens discussion for future research on trademark and geographical indication for coffee from Zimbabwe.

7.4 Background

The exploratory case study focused on small scale coffee farming (small scale farming as defined in the previous chapter – communal and resettled land) in the Eastern Highlands of Zimbabwe. In the 1980s, coffee was the second most profitable crop in Zimbabwe after tobacco\textsuperscript{1041}. By the 1990s, the country was producing over 8 000 tonnes of Arabica coffee, peaking at 10 440 tonnes in 1997\textsuperscript{1042}. Most of the coffee was exported – about 11 500 tonnes in 1996\textsuperscript{1043}. Though it was mostly commercial farmers that produced coffee in the 1980s and

\textsuperscript{1041} E Maravanyika ‘Tobacco production and the search for alternatives in Zimbabwe’ In I Abedian, R van der Merwe, N Wilkins, and P Jha (eds) The economics of tobacco control towards an optimal policy mix (1998) 277.
the 1990s, there were some small scale farmers in the Eastern Highlands that were involved, producing over 700 tonnes of coffee\textsuperscript{1044}.

Coffee production began to plummet from 1999; about the same time that the land resettlement program\textsuperscript{1045} began, dropping to 600 tonnes in 2011\textsuperscript{1046}. Large scale farming decreased due to the land resettlement programme, which altered the policy and institutional framework for cereal production in Zimbabwe\textsuperscript{1047}. Several large farms were divided into smaller farms and redistributed to small scale farmers. That led to an increase in small scale coffee growers in Zimbabwe, it is estimated that there are over 3000 small scale coffee growers in the Eastern Highlands\textsuperscript{1048} with land varying from 0.5 hectares to 25 hectares per household. Though production has not recovered to the levels of the 1990s, there is some improvement, 540 tonnes of coffee was produced in 2019\textsuperscript{1049}. The coffee sector has also faced several constraints beyond the scope of this research, suffice to say external factors such as price volatility has challenged growers\textsuperscript{1050}. Coffee farming is however considered one of the most profitable agribusiness in the Eastern Highlands\textsuperscript{1051}.

7.4.1 Coffee production in Zimbabwe

Coffee is produced in the following four districts in the Eastern Highlands of Zimbabwe: Chipinge, Chimanimani, Mutare and Mutasa. With a total area of approximately 418 130 hectares, the Eastern Highlands (Figure 2) is climatically suitable for coffee cultivation\textsuperscript{1052}. The region has high altitudes above 900 metres and rich soils, and the climate

\textsuperscript{1044} Interview with ZCM.
\textsuperscript{1045} The Fast Track Land Reform Programme (FTLRP) was a government program to redistribute agricultural land to black people to address the imbalances that resulted from the colonial era, see Moyo op cit note 863. There are two main schemes A1 and A2 farms, the former are largely communal plots, and the latter are larger plots, the sizes vary depending on the ecological region, but generally A1 farms range up to 37 hectares and A2 farms range up to 318 hectares, see Scoones et al op cit note 863 at 973.
\textsuperscript{1046} ICO op cit note 1042.
\textsuperscript{1048} A Chemura, D Kutywayo and C Mahoya ‘The farmer field school as an agricultural innovation marketplace: experiences from the coffee sector in Zimbabwe’ International Conference on innovation systems for resilient livelihoods: connecting theory to practice, Johannesburg, South Africa (26-28 August 2013) 1-19 (This is the latest available estimate).
\textsuperscript{1049} ICO op cit note 1042.
\textsuperscript{1051} Chemura et al op cit note 1038 at 481.
\textsuperscript{1052} Ibid at 478.
is suitable for coffee production\textsuperscript{1053}. The temperature in the Eastern Highlands average between 24 and 26 degrees Celsius and the area receives significant amounts of rainfall, averaging 1000mm per year. The amount and distribution of rainfall is an important factor on climatic suitability of coffee in Zimbabwe\textsuperscript{1054} and Arabica coffee, the most common coffee grown in the region, requires significant rainfall. There are two methods of growing coffee, i.e., sun-grown coffee and shade-grown coffee, with the latter being the most preferred in the Mutare, Mutasa and Chimanimani regions and the former in the Chipinge district\textsuperscript{1055}.

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{zimbabwe_eastern_highlands.png}
\caption{Eastern Highlands of Zimbabwe}
\end{figure}

There are generally three small scale coffee production models in the Eastern Highlands, and two are named after the commercial farms that have supported those models. The first is the Charleswood Farm model\textsuperscript{1056}, an arrangement that has some characteristics of contract farming, where a large farm engages small scale farmers within its proximity. The large farm provides some financing, technical services, processing facilities and services like pulping and hulling. The second model is the Crake Valley Farm model\textsuperscript{1057}, essentially a mentorship programme where a large farm provides training, extension services and support through field visits to small scale farmers. The third model is where small scale growers find

\textsuperscript{1053} A Chemura, C Mahoya, P Chidoko and D Kutywayo ‘Effect of soil moisture deficit stress on biomass accumulation of four coffee (coffee arabica) varieties in Zimbabwe’ 2014 \textit{International Scholarly Research Notices} 1-10 at 1-2.
\textsuperscript{1054} Chemura et al op cit note 1038 at 479.
\textsuperscript{1055} Ibid at 474.
\textsuperscript{1056} Named after Charleswood Farm located in Chimanimani.
\textsuperscript{1057} Named after Crake Valley Farm located in Bvumba.
their own way to access support services, usually from AGRITEX and CoRI. Under models two and three, the small scale farmers essentially finance their own farming activities.

7.4.2 Coffee value chain

The coffee value chain can be broadly divided into five activities, cultivation, secondary processing, roasting, marketing and retailing (Figure 3). Each activity is composed of at least three key players. Coffee cultivation is mainly by a few commercial farmers and several small scale farmers, either in their individual capacities or in cooperatives or associations. In addition, there are tea estates that also grow coffee, these are owned by companies like Tanganda Tea (Pvt) Ltd and Agricultural and Rural Development Authority (ARDA), a government parastatal, which runs the Rusitu Valley Coffee Estate in Chipinge.

Figure 3 Chipinge Coffee Value Chain

The small scale coffee growers source inputs such as seedlings and chemicals from companies like Windmill, Omnia and Agricura, and agricultural equipment from manufacturers like Warrap and Bain Manufacturing. They undertake pre-processing activities on the farm such as pulping, washing, and drying and sorting of the coffee beans. Small scale growers within associations gather the parchment (dried coffee beans) and

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1058 Coffee sub-sector strategy op cit note 1047 at 11.
1059 Ibid.
1060 Ibid at 10.
transport it for secondary processing and selling at Zimbabwe Coffee Mill (ZCM) in Mutare\textsuperscript{1061}.

ZCM and the Grain Marketing Board (GMB) are the main actors in the secondary processing and marketing\textsuperscript{1062}. The secondary processing includes hulling, grading, and sorting the coffee beans according to grades depending on the cup quality. Commercial farms also undertake secondary processing and have milling capacity to process the coffee on their own farms\textsuperscript{1063}. They also process the coffee of small scale growers under the contract farming model.

ZCM does most of the marketing of Chipinge coffee, though there are other marketers which include local roasters\textsuperscript{1064}. Commercial farms make their own marketing arrangements with agents. They can make direct sales with buyers as their production capacity is sizeable and engage buyers directly or through agents\textsuperscript{1065}. Small scale growers do not produce enough to scale the market individually and therefore sell their coffee through ZCM, which also negotiates prices in consultation with farmers and identifies potential markets for Chipinge coffee\textsuperscript{1066}.

About 90 per cent of Chipinge coffee is exported as the local demand is small\textsuperscript{1067}. This means that there is little value addition in the country. Chipinge coffee is sold in its raw form and in some instances, minimal value addition i.e., roasting and packaging\textsuperscript{1068}. The roasting is done by foreign buyers and few local roasters. However, as it is exported it earns foreign currency for the country. Major buyers include local buyers like Cairns Zimbabwe and international buyers like Nestle.

Within the value chain there are various facilitators these include the CoRI and AGRITEX which offer research and extension services and training and support particularly to small scale farmers. These are government departments, and the services are usually hamstrung by funding challenges\textsuperscript{1069}. Coordination among these actors is also limited

\textsuperscript{1061} Coffee sub-sector strategy op cit note 1047 at 10.
\textsuperscript{1062} Ibid.
\textsuperscript{1063} Ibid.
\textsuperscript{1064} Ibid.
\textsuperscript{1065} Ibid.
\textsuperscript{1066} Ibid.
\textsuperscript{1067} ZCM Interview
\textsuperscript{1068} Coffee sub-sector strategy op cit note 1047 at 10.
\textsuperscript{1069} Ibid at 7.
resulting in the duplication of activities which affects funding for the sector, this is the case where AGRITEX and CoRI both offer extension services\(^{1070}\).

Private sector facilitators include development partners such as TechnoServe and Palladium\(^{1071}\), there are also NGOs like SNV Netherlands Development Organisation, which provide some inputs, technical skills, and pre-processing facilities like pulping machines\(^{1072}\). SNV Netherlands in partnership with World Vision began a project to revitalise small scale agriculture and one of the crops it focused on was coffee in Honde Valley\(^{1073}\). It has also supported farmers by searching for markets, access to inputs and business skills. Commercial farmers are also facilitators where they offer technical skills to small scale growers, among the notable ones are Crake Valley Farm and Tanganda Tea Estates\(^{1074}\).

### 7.5 Interview findings

All participants interviewed for this study followed the Crake Valley Farm Model (model two). The farmers belonged to a cooperative and they had all begun coffee farming after 2000 (as beneficiaries of the land resettlement program). Table 1 shows the farm size, experience in coffee farming, and the number of permanent and hired labour, of each of the participants. The size of land under coffee trees ranged from 0.3 hectares to 8 hectares. Of the ten farmers, four had been growing coffee for eight years, three for seven years and three for six years. The farmers interviewed relied on family labour, with seasonal hired labour to pick the coffee cherries during harvesting\(^{1075}\). Four farmers had at least two full time employees with one farmer having three permanent employees. The hired labourers, called pickers, work on different farms throughout the harvest season\(^{1076}\). The smallest number of pickers on the farms was three and the highest number was fifteen per harvest season. Besides picking the coffee cherries, labour was also hired to spray the coffee trees and for post-harvest processes like pulping, washing, drying, and packing\(^{1077}\). At least five farmers hired

\(^{1070}\) Coffee sub-sector strategy op cit note 1047 at 15.

\(^{1071}\) Ibid at 10.

\(^{1072}\) Ibid.


\(^{1074}\) Coffee sub-sector strategy op cit note 1047 at 10.

\(^{1075}\) Interview with JS1.

\(^{1076}\) Interview with JS1.

\(^{1077}\) Interview with JS1.
additional labour – three or four people – for these processes and five relied exclusively on family labour to carry out these processes.

<table>
<thead>
<tr>
<th>Participant</th>
<th>Farm Size (hectares)</th>
<th>Experience (years)</th>
<th>Employees</th>
<th>Hired labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM1</td>
<td>0.3</td>
<td>7</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>JS1</td>
<td>8</td>
<td>8</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>CH1</td>
<td>2</td>
<td>8</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>KA1</td>
<td>0.5</td>
<td>8</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>MA1</td>
<td>0.7</td>
<td>6</td>
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<td>MA2</td>
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<td>MB1</td>
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<tr>
<td>TM1</td>
<td>0.8</td>
<td>7</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 3: Participants farm size, experience, and labour data

7.5.1 General findings on coffee farming

The process of coffee production requires commitment as it takes a few years for the trees to grow before bearing the coffee cherries, about three to four years before the first harvest\textsuperscript{1078}. One participant stated that a farmer would have to invest in setting up a plantation for about four years without reaping a reward and not many are prepared to make such an investment especially when other crops offer quicker returns\textsuperscript{1079}. As narrated by an interviewee the process of coffee production, from seedling to bean is a long process.

“Nurslings are transplanted into prepared fields. The nurslings grow into trees bearing white flowers and small cherries. When ripe the cherries are a deep red colour, usually they ripen after at least two years from transplantation into field. We pick the ripe cherries are picked from the coffee trees and use the wet processing method, where we wash the cherries. We put them into a pulping machine to remove the skin and expose the coffee beans inside. The beans are put

\textsuperscript{1078} Interview with NI1.
\textsuperscript{1079} Interview with NI1.
into a fermentation tank for about 38 hours, after which they are washed and put in a grading channel to be sorted where damaged beans are removed. We spread the beans on drying tables, and it can take anywhere from two to three days for the beans to dry. The dried beans, known as parchment, are taken to the Zimbabwe Coffee Mills (ZCM) in Mutare for processing and selling. At the ZCM, the coffee beans are hulled, sorted, and graded, there are twelve grades which the coffee is classified into depending on the quality. Buyers purchase the quality they want, and each farmer is paid according to the amount of their coffee that is purchased and the quality. ZCM handles the sale of the coffee beans and gives each farmer documentation that show the total kilograms of coffee in each grade and how much of the coffee was sold to the buyers.\textsuperscript{1080}

Coffee cultivation sustained the livelihood of the farmers interviewed, with six of the farmers stating that the largest portion of their income came from coffee sales. The farmers indicated that they sold the coffee between USD $6 – $7 per kg\textsuperscript{1081} which they considered a good price\textsuperscript{1082}. According to one interviewee,

“By selling just a tonne of coffee, minus necessary expenditures, a farmer earns three to four times what is earned, on average, by civil servants in a year.”\textsuperscript{1083}

Unsurprisingly therefore, farmers generally wanted to increase their hectarage of coffee, and one interviewee sought to put an extra 4 hectares under coffee in the next season\textsuperscript{1084}. Further, in this study, four farmers also had their own nurseries for the coffee trees and sold these plants to other farmers to supplement their income; one interviewee had a nursery with 10 000 plants which he sold at USD $0.50 for two trees\textsuperscript{1085}.

The farmers indicated that coffee production had improved since the introduction of training and assistance from development partners\textsuperscript{1086}. They highlighted that agronomists from TechnoServe often trained them in nursery management, transplanting the coffee trees into the field, pruning, and spraying the trees and six of the participants had received some form of training. The farmers indicated that they had also benefited from the training offered by extension officers from AGRITEX. These helped farmers improve the quality of the yield

\textsuperscript{1080} Interview with JS1.
\textsuperscript{1081} Interview with CH1, MA2, NI1 and JS1.
\textsuperscript{1082} Interview with NI1.
\textsuperscript{1083} Interview with ZCM.
\textsuperscript{1084} Interview with CH1.
\textsuperscript{1085} Interview with JS1.
\textsuperscript{1086} Interview with MM1.
through training in crop management and sustainable use of resources. They provided advisory services in the proper use of chemicals, pest control and disease management and post-harvest processing of the coffee beans.

Besides coffee farming, the farmers also grow crops for consumption, like maize\textsuperscript{1087}, while some grew peas, carrots, and potatoes which they sold to supplement their income\textsuperscript{1088}. They also intercropped the coffee trees with crops like sweet beans, bananas, and maize. Intercropping provided shade particularly to smaller coffee trees, helped economise on the limited inputs like fertilizer and supplemented household dietary requirements\textsuperscript{1089}.

7.5.1.1 Challenges to coffee farming that impact on productivity

7.5.1.1.1 Water, pests, and diseases

Perhaps the main challenge highlighted by the farmer was water access\textsuperscript{1090}. According to one interviewee, the increase in the intensity of droughts, usually dry mid-season spells, has had a negative impact on coffee trees in the region\textsuperscript{1091}. Whereas shaded coffee trees may survive such spells more easily, sun-grown coffee will usually not fare well. Irrigation systems would enable farmers to supplement watering in dry spells, but only three of the ten coffee growers interviewed had sunk boreholes on their farms to water their coffee trees. The three farmers that had boreholes, however, did not have adequate irrigation infrastructure like sprinklers\textsuperscript{1092}. The farmers with boreholes on their farms sometimes offered water to other farmers, often by use of hosepipes a difficult task if one has over a hectare of coffee trees to water\textsuperscript{1093}. According to one interviewee,

“The lack of irrigation infrastructure like water pump engines, pipes and sprinklers leads to coffee trees not getting adequate water to produce good quality cherries”\textsuperscript{1094}.

In addition to the water challenges, the farmers interviewed also highlighted inadequate technical know-how to handle pests and diseases that affect the coffee trees\textsuperscript{1095}. They

\textsuperscript{1087} Interviews with MA2 and MB1.
\textsuperscript{1088} Interviews with TA1, BA1 and TM1.
\textsuperscript{1089} Interview with JS1, ZCM and Coffee sub-sector strategy op cit note 1047 at 8.
\textsuperscript{1090} Interviews with JS1, BA1, KA1, TM1, CH1, MA2 and MB1.
\textsuperscript{1091} Interview with CH1.
\textsuperscript{1092} Interview with JS1.
\textsuperscript{1093} Interview with MA2.
\textsuperscript{1094} Interview with ZCM.
\textsuperscript{1095} Interview with KA1.
mentioned a pest known as the white stem borer which had devastating effects on the coffee cherries causing stunted growth and wilting of the coffee tree. The farmers mentioned diseases such as coffee berry diseases and coffee leaf rust. Coffee berry disease caused dark spots to appear on green berries, and coffee leaf rust caused brown spots to develop on the leaves of the coffee trees. These challenges limited the annual output and quality of the coffee.

7.5.1.1.2 Lack of inputs and labour

The farmers stated that the lack of inputs – for instance fertilizers like Compound D, Compound J and Lime, as well as sprays for pests – affected productivity as these are important in the growth of the coffee trees. Although some farmers were experimenting with manure, for coffee nurseries, the farmers still largely relied on fertilizers. According to one interviewee,

“Without fertilizer the trees do not grow strong. Without the sprays coffee leaf rust destroys the trees. If I do not spray the coffee trees in time the yellowish colour, caused by coffee leaf rust, turns to brown and the leaf dries.”

Also crucial were inputs for post-harvest processes, such as pulping machines. Pulping machines are used to remove the skin of the coffee cherry to expose the coffee beans before they are fermented. The post-harvest processes, like pulping, washing and fermentation affect the ‘cup quality’ that is the taste of the coffee. According to some participants, the lack of pulping machines, resulted in farmers being unable to deliver their coffee on time. Three of the farmers interviewed had their own pulping machines which they often allowed other farmers to use. The rest of the farmers depended on pulping machines donated by development partners. According to one interviewee,
“We are grateful for the donations, but the closest machine to my farm is about 3 km away and I have no means of transporting the coffee beans to the machine. Sometimes I have had to use mortar and pestle to pulp the coffee.”

The interviewed farmers also sometimes found it difficult to pay the pickers as in some seasons the grade of their coffee may be lower and not fetch high prices. One farmer indicated that at one point he had to sell some cattle to raise money to pay the pickers. The farmers indicated that the situation is worse when they are not paid on time. Though ZCM endeavours to pay farmers within three months of the coffee being sold, the challenges in receiving foreign currency payments in the country affect the time within which ZCM can remit the funds to farmers. The delays in payment negatively impact the next season as farmers may not be able to commence preparations in time.

7.5.2 Findings on awareness and perspectives on legal protection schemes

7.5.2.1 Knowledge of the legal protection schemes

The key objective of this empirical research component was to ascertain from farmers, after explaining what trademarks and geographical indications are, whether such legal protection for Chipinge coffee would be advantageous or disadvantageous and whether they would generally be willing to participate in such a scheme. Of the ten farmers interviewed three knew what a trademark and geographical indication were and could rightly identify these on a product. After explaining these IP rights in more detail, the remaining seven understood and to varying degrees could give examples of trademarks, but not of geographical indications. This, however, enabled them to formulate distinct opinions on whether such a legal protection regime could be beneficial for Chipinge coffee.

7.5.2.2 Perceptions on a distinguishing mark for Chipinge coffee

As to the reasons for a distinguishing mark for Chipinge coffee, at least six were of the view that having a distinguishing mark would be a viable strategy to identify and market...
Chipinge coffee. An example cited by some of the farmers was Tanganda Tea, a registered trademark for a tea also grown in the Eastern Highlands, which they highlighted as a widely recognised tea because of its unique flavour. The farmers indicated that a distinguishing mark could enable market attractiveness especially as coffee is a product grown in many parts of the world and there is thus competition, including from other coffee growing regions on the continent like Kenya, Ethiopia, and Burundi\textsuperscript{1108}. According to one interviewee, "Countries in East Africa have especially good coffee; their yield is very high, and they supply coffee overseas. Everyone knows Ethiopian coffee because of its taste and the good marketing. These countries have been selling their coffee for a long time their customers know the coffee. But we are improving our yield, being taught how to improve quality, and have attracted overseas buyers too, and we want to sell more."	extsuperscript{1109}

The farmers were of the view that a distinguishing mark could increase the visibility and recognition of the coffee and serve as a strategy to enter new markets where the coffee was not known\textsuperscript{1110}. Some farmers highlighted that they were not getting real value for Chipinge coffee as they could not effectively market it and using a distinguishing mark could therefore partly address that\textsuperscript{1111}.

Though the farmers also indicated a willingness to support a strategy that would enable all of them to participate and benefit as a collective\textsuperscript{1112}, the ZCM was cautious. It stated that because of the value addition elsewhere later in the production process, consumers would not know that the coffee is from Zimbabwe. It added that as the coffee was sold in bulk, roasters and retailers would put their own trademark at the end market, so therefore it had not pursued a trademark or geographical indication for the coffee\textsuperscript{1113}.

Further, ZCM also noted that production of Chipinge coffee was low compared to other coffee producing regions on the continent. According to ZCM,

"Zimbabwe used to average 6 000 to 11 000 tonnes of coffee in the 1980s and 1990s. The bulk of the farmers then were commercial. There are now just a handful of commercial farmers left and many small scale farmers cultivating

\textsuperscript{1108} Interview with MA2, CH1 and JS1.  
\textsuperscript{1109} Interview with CH1.  
\textsuperscript{1110} Interview with MA2.  
\textsuperscript{1111} Interview with MA2.  
\textsuperscript{1112} Interview with TA1, MA2, CH1 and JS1.  
\textsuperscript{1113} Interview with ZCM.
coffee, but the output is not high. In 2018 small scale farmers brought in 32 tonnes, which is low in comparison to farmers in countries like Ethiopia and Kenya.”

The farmers also emphasised that they had to increase production first before pursuing a legal protection strategy\textsuperscript{1114}. They indicated that their production capacity would need to increase to meet demand that could rise should the renown of Chipinge coffee improve on the global market. ZCM was open to considering a trademark or geographical indication, stating that such a strategy could enable market differentiation and even market the country as a coffee destination.

7.5.2.3 Perceptions on quality of Chipinge coffee

The farmers were of the view that Chipinge coffee had a unique taste and quality which had attracted buyers\textsuperscript{1115}. They indicated that Chipinge coffee had a distinct taste due to the climatic conditions of the Eastern Highlands. According to one interviewee,

“This region receives higher amounts of rainfall than the rest of the country so the coffee that grows here has a good taste. There are also lots of trees that protect the coffee trees from the direct heat of the sun.”\textsuperscript{1116}

Some farmers, however, emphasised that their own coffee tree management\textsuperscript{1117}, harvesting techniques and post harvesting processes\textsuperscript{1118} had a significant influence on the taste of the coffee.

ZCM was of the view that even though the high altitude, high rainfall and cool temperatures gave the coffee a unique taste, the post-harvesting processes were crucial in determining the ‘cup quality’ of the coffee. It stated that the pulping, washing, and fermentation had to improve. The farmers were also aware that to gain recognition, even in existing markets, they would have to improve the quality of the coffee and consistently maintain it and so they welcomed the training provided by agronomists\textsuperscript{1119}.

\textsuperscript{1114} Interview with ZCM, JS1, CH1, TA1 and MA1.
\textsuperscript{1115} Interview with MA2, CH1 and JS1.
\textsuperscript{1116} Interview with JS1.
\textsuperscript{1117} Interview with JS1.
\textsuperscript{1118} Interview with CH1 and MA2.
\textsuperscript{1119} Interview with CH1 and JS1.
7.5.3 Institutions

7.5.3.1 Zimbabwe Coffee Mills (ZCM)

The ZCM is the key institution on coffee in Zimbabwe, it was established in 1992 by the Coffee Growers Association which was composed of large scale commercial farmers and small scale growers. The entity was set up to aggregate coffee from the different coffee producing districts and improve market linkages. According to ZCM,

“Before 1993 the national Grain Marketing Board (GMB) marketed coffee exclusively. But in 1993, ZCM was registered as a company responsible for hulling, grading, and marketing Chipinge coffee. We aggregate the coffee produced in the region and each farmer is paid according to the grade and volume of the coffee they bring to the mill. We also sort and package the coffee before export and in some instances assist with transportation logistics, though we largely rely on commission from coffee sales to fund our operations.”

ZCM offers some support to small scale farmers particularly training to ensure coffee quality. It has sought development partners like TechnoServe, Palladium and the British Developmental Agency (DFID) to support the coffee growers. It has also found support from Chinhoyi University of Technology which expressed an interest to collaborate with CoRI with a focus on improving production of coffee seedlings and provide training on coffee production and farm management. Together with these institutions it had also begun developing a coffee policy to provide guidance and vision on coffee production in the country.

The farmers have found the training useful and ZCM has assisted by linking cooperatives when training is offered by development partners. According to one farmer,

“When we meet at trainings and workshops, we learn from one another on improving the quality of the coffee. We go on field tours to educate and encourage one another on how to manage the coffee trees.”

According to ZCM, in these environments the farmers shared knowledge on managing the nursery, spraying the coffee trees, pruning, watering with minimal wastage, improvising
pipes to ensure better distribution of water, among other things\textsuperscript{1124}. Other farmers travelled to farms further afield in areas like Honde Valley, Mutasa, Chimanimani for field tours supported by researchers from CoRI and agronomists from TechnoServe\textsuperscript{1125}.

7.5.3.2 Coffee Research Institute (CoRI)

As the main research institution on coffee in the country, CoRI’s objective was to establish and disseminate appropriate practices on the sustainable cultivation of coffee. It had three divisions that focused on key issues in coffee production: agronomy, pathology, and entomology. Its’ main activities include conducting research on appropriate production technologies, examining genetic material of coffee, evaluating fertilizers and pesticides used in coffee cultivation, carrying out extension services to train coffee growers on best practices and coffee management.

CoRI offered technical support to growers based on its’ research and noted certain cultivators were more climatically suitable to the Eastern Highlands. It had advised growers to use the Catimor varieties, which it stated were more resistant to diseases such as coffee leaf rust which was prevalent in the region. According to CoRI, growers that had adopted Catimor had observed an increase in their yield. It indicated that it was also investigating the tolerance of the coffee varieties to the climatic changes in the region, it was undertaking this evaluation for the different sub-regions in the Eastern Highlands. CoRI was of the view that coffee production could improve should more farmers be encouraged to cultivate coffee particularly in the suitable ecological areas such as Chimanimani and Chipinge.

7.5.3.3 Zimbabwe Intellectual Property Office (ZIPO)

The IP Office outlined the possible legal framework for protection – trademark, certification and collective mark and geographical indication. It indicated that the administrative duties on marks were handled by capable staff and there was a focal person on the Madrid System on international registration of marks. It stated that there had been no registration of a geographical indication yet, but there were trademarks that had been

\textsuperscript{1124} Interview with JS1.

\textsuperscript{1125} Interview with JS1, CH1 and NI1.
registered for origin-linked products such as Mazoe Orange Crush, a cordial made of oranges that come from a place called Mazowe.

ZIPO indicated that there was a person responsible for awareness raising programs on IP in the country. It stated that the adoption of the IP Policy was indicative of the importance placed on these rights to transform the country. ZIPO was of the view that ignorance and insufficient outreach programs limited the use of trademarks and geographical indications as many were not aware of the existence of these rights. It reiterated the importance of these rights for identification and marketing of products but noted that the cost of registration was probably beyond the reach of small scale producers. The official fees for trademark registration at ZIPO include a filing fee of USD 200, advertisement fee of USD 20 and sealing fee of USD 80. These amounts do not include legal fees, which are charged by trademark agents, should an applicant decide to engage the services of a trademark agent to assist with the registration process. The official fee for a geographical indication registration at ZIPO is USD 150, which also does not include legal fees.

7.6 Discussion of main findings

7.6.1 Knowledge and general perceptions concerning trademarks and geographical indications among stakeholders.

Understandably, the processes of registering and maintaining IP may be less practical for farmers far removed from the market, however, the perceived benefits of legal protection for unique agricultural products particularly in developing countries in Africa, revolve around sustainable rural development\textsuperscript{1126} thus necessary to ascertain from the potential beneficiaries what they have to say about such schemes.

It emerged from the interviews that most of the farmers did not know these IP rights and only after explaining to them could some identify examples of trademarks. Also, even then most of them had no idea what a geographical indication was. It does show the disconnect between what occurs at the policy level and what the potential beneficiaries know about these legal protection options. Though ZIPO indicated that it was carrying out awareness raising activities, it would seem these have yet to reach the coffee growers.

\textsuperscript{1126} As espoused in the main objectives of the AU continental strategy op cit note 50, under s 3.7.
However, given that the study is exploratory, and the findings drawn from a small pool of participants, it would be important to get the views of a much larger group of coffee growers.

7.6.2 Use of a legal protection scheme

From the discussions with the farmers the purpose of a distinguishing mark was marketing related. The farmers were of the view that such a strategy could be used to market Chipinge coffee, in existing and new markets. Though Zimbabwean coffee in the 1980s and 1990s was widely recognised, it dropped into near obscurity ever since production went down after the land resettlement program. It is thus, understandable that the farmers would emphasise the aspect of marketing to raise the status of the coffee on the global market.

The implication of this could be that the legal protection scheme *per se* may not matter as much to the farmers, if it delivers results i.e., serves as a marketing strategy. Indeed, both trademarks and geographical indications ultimately serve as marketing devices for goods and services – though a trademark indicates commercial origin, and a geographical indication emphasises attributes derived from the place of origin.

The ZCM and ZIPO also echoed the strategic use of a distinguishing mark for marketing related purposes. They noted the usefulness of the legal protection schemes to identify and market products. However, ZCM emphasised that as value addition occurs elsewhere, there would be no distinction made between coffee from the Eastern Highlands and coffee from other coffee growing regions of the world, therefore consumers would not know the difference. The concern, though legitimate given that the coffee is generally exported in bulk, does not consider that conscious consumers exist, who pay attention to the origin of their coffee. Though ZCM had not pursued a trademark or geographical indication for the coffee, the fact that Nestle produces a branded version of the coffee, is a testament to the potential or the feasibility of a distinguishing mark for the coffee.

7.6.3 Quality and production capacity

Perhaps a key issue mentioned by the farmers and ZCM, is quality of Chipinge coffee and production capacity. Most of the farmers indicated that the coffee has a unique taste due to the climatic conditions of the Eastern Highlands, it can thus qualify as a geographical indication. However, water challenges, insufficient access to inputs and training result in the
coffee failing to meet the standards required by buyers. The training being offered by agronomists are aimed to standardise production of the coffee and ensure the quality is improved and maintained, thus ensuring continued purchase.

The production of Chipinge coffee is low. The farmers were aware that production had to increase, first to meet the needs of the current destinations where Chipinge coffee is exported and second to penetrate new markets. These sentiments were also reiterated by the ZCM. As highlighted above, exports of Chipinge coffee have been improving though they remain a far cry from the tonnage that the country used to export in the 1990s. The consensus is that production must increase first before seeking legal protection. However, the risk with such an approach is that another party may register a trademark for Chipinge coffee in an export market. In this case, the Rooibos Tea story serves as a cautionary tale.\(^1\)

ZCM indicated that it is exploring opportunities for market expansion in existing markets through selling green and roasted coffee. It also has ideas around product development aimed at value addition for existing markets with three products in mind, roasted coffee, roasted decaffeinated coffee and soluble coffee.\(^2\)

7.6.4 Institutional capacity

In this study, the focus on institutional capacity was limited to ZCM and ZIPO – the ZCM because it markets Chipinge coffee and ZIPO because it administers the IP rights. However, should an IP strategy be considered for Chipinge coffee, many other stakeholders would be involved, so the focus on just these institutions is another limitation of this exploratory case study. Nonetheless, it is an important starting point on discussions around Chipinge coffee branding.

The role of ZCM in the coffee sector is commendable. Though other challenges, such as access to inputs and complying with standards impact small scale farmers’ production,\(^3\) ZCM has endeavoured to support growers. It has assisted by linking cooperatives when training was offered by development partners and has negotiated the coffee price with some buyers and agreed to USD $6.50 per kg. So even though there are generally different prices depending on the grade of the coffee and the global coffee prices, there are a few buyers with

\(^1\) See Gerz & Bienabe op cit note 978.

\(^2\) Coffee sub-sector strategy op cit note 1047 at 20.

\(^3\) Mutami op cit note 873 at 148, Moyo op cit note 880 at 958 and Jari & Fraser op cit note 906 at 66.
whom ZCM has specific arrangements. This at least guarantees growers that their coffee will be purchased.

ZCM lamented the lack of a coffee policy. Though the national Agricultural Policy broadly references coffee as one of the export crops\(^{1130}\), a coffee policy or strategy would give specific guidance on coffee production. ZCM began its own process of drafting a coffee policy by initially producing a strategy document in 2014. The document was submitted to the Ministry of Agriculture, however, nothing materialised beyond the launch of the strategy document by the then Minister of Agriculture. That document was never implemented and ZCM pushed again in 2016 and the Ministry of Agriculture then established a working group to devise a coffee strategy that could propel coffee production for the next five years. The draft coffee strategy has now been refined with further input from various stakeholders including experts from agricultural colleges in Marondera and Mutare, FAO, CoRI, coffee growers\(^{1131}\) and development partners such as Palladium\(^{1132}\). The document has been submitted again to the Ministry of Agriculture in 2019 and the expectation is that the ministry will develop this into a coffee strategy.

The lack of impetus from government has worried many of the coffee growers. A coffee policy could help conscientize farmers about the potential of coffee farming especially in the suitable districts of the Eastern Highlands. Interventions from government to dedicate certain hectarage for coffee production, like what was done under the land resettlement scheme for certain crops, could improve production of coffee\(^{1133}\). Other coffee producing countries provide guidance on coffee, for example Rwanda adopted a national coffee strategy to, among other things, improve farming techniques, provide support for washing stations, improve marketing and sales, and enable partnerships\(^{1134}\), and Uganda has a strategy to

\(^{1130}\) Ministry of Agriculture op cit note 872 at 5.
\(^{1131}\) Interview with ZCM.
\(^{1132}\) Coffee sub-sector strategy op cit note 1047 at 3.
\(^{1133}\) Under the land resettlement scheme the Ministry of Agriculture would parcel out land on condition specific crops were grown on a portion of that land, for instance a hectare for maize, a hectare for beans etc, the intention being to improve production of different crops and avoid overproduction of one crop at the expense of other crops.
improve production and value addition of its' coffee.\textsuperscript{1135} Adopting a coffee policy or strategy could facilitate the growth of the sector to enable the use of distinguishing marks.

Officials from ZIPO expressed optimism about the opportunities for trademarks and geographical indications, though they were not aware of Chipinge coffee or the interest that had been generated in foreign markets\textsuperscript{1136}. The potential for distinguishing marks is also captured in the national IP Policy which states using geographical indications for agricultural products\textsuperscript{1137}. The Geographical Indications Act spells out the requirements for protection, but no local product has yet been endorsed with a geographical indication even though there are many that have unique characteristics\textsuperscript{1138}, including Chipinge coffee. The IP policy, however, does not mention collective or certification marks for agricultural products, perhaps a missed opportunity to include all available IP tools that could apply.

Though in many African countries, including Zimbabwe, IP policies have come after the IP laws have been enacted\textsuperscript{1139}, an IP policy can nonetheless, reshape the nations approach in how it applies and utilises its intellectual outputs. As an overarching framework, it can guide the alignment and adjustment of the IP framework to respond to the economic, social, and cultural development objectives\textsuperscript{1140}. Zimbabwe has a legal framework in place for trademarks and geographical indications, but the capacity to make use of the systems remains limited. The IP policy is an opportunity align certain rights with specific sectors, for example using a trademark or geographical indication for Chipinge coffee.

ZIPO pointed to the lack of sufficient outreach programs as the reason for the limited use of trademarks and geographical indications. Indeed, the IP Policy outlines measures to raise and consolidate IP awareness as part of outreach programmes\textsuperscript{1141}. But the lack of human and financial resources to undertake outreach programs means the laws are not well utilised\textsuperscript{1142}. The IP Policy also notes the skills gap at ZIPO and one of the objectives is to


\textsuperscript{1136} Interview with ZIPO.

\textsuperscript{1137} IP Policy, s 2.4.1.

\textsuperscript{1138} Nyakotyo op cit note 17 at 190.

\textsuperscript{1139} Ncube op cit note 439 at 17.

\textsuperscript{1140} Ibid at 43.

\textsuperscript{1141} IP Policy, s 3.4.1.

develop capacity. WIPO has offered ZIPO training on different aspects\textsuperscript{1143} and some national IP offices have offered support and training to ZIPO through the WIPO administered Funds in Trust program, for instance Japan\textsuperscript{1144}.

7.7 Potential legal protection of Chipinge coffee

This section discusses the regimes for legal protection and the potential limitations of each in relation to Chipinge coffee. IP protection for Chipinge coffee in Zimbabwe can fall under the following four categories: trademark, collective mark, certification mark, and geographical indication. Whereas the concepts for trademarks and geographical indications rely on largely the same economic rationale, there are differences in how they are implemented and in considering which scheme would be appropriate for Chipinge coffee it is imperative to highlight the advantages and limitations of each system. The farmers opined that the process for legal protection could be spearheaded by ZCM, firstly because it was the entity mandated to aggregate, market, and sell coffee produced in the region and secondly because ZCM represented the interests of the farmers and had the human resources to pursue such a strategy\textsuperscript{1145}. Thus, the position of ZCM in a legal protection strategy is considered in each of the categories discussed in this section.

7.7.1 Trademark

As discussed in Chapter 4, trademarks identify a connection between a good or service and the producer. The registration of a trademark does not guarantee quality or compliance with certain standards or characteristics, or reputation, it simply must serve two main functions – indicate a connection in trade and distinguish goods or services\textsuperscript{1146}. As such it can be a flexible option for Chipinge coffee.

Registration of a trademark can be either in Part A of the register (if the mark is inherently distinctive)\textsuperscript{1147} or in Part B of the register (if the mark is capable of


\textsuperscript{1145} Interview with TA1, JS1 and MA1.

\textsuperscript{1146} Trade Marks Act, s 2 (1).

\textsuperscript{1147} Section 5 (2)(a) and s 12.
distinguishing)\textsuperscript{1148}. However, in terms of s 12 (1)(d) of the Trade Marks Act, geographical names \textit{per se} cannot be registered as trademarks in Part A of the register\textsuperscript{1149}, the proviso being only if the word or name contains an ‘additional essential particular that makes the intended significance clear beyond doubt’. The issue would be whether the inclusion of the word ‘coffee’ after Chipinge would suffice to meet this requirement. The word ‘coffee’ speaks for itself and coupled with ‘Chipinge’ it creates an association between Chipinge and coffee, which is sufficiently able to make the intended significance clear. There are at least three popular trademarks in Zimbabwe that incorporate geographical names; Tanganda Tea, Mazoe Orange Crush and Cashel Valley Beans\textsuperscript{1150}, and if the law is applied similarly, there is no barrier to registering Chipinge Coffee as a trademark in Part A of the register.

It is also possible to register Chipinge coffee in Part B of the register. This is because s 13 (2) provides that the Registrar may consider the extent to which, by reason of the use of the trademark or any other circumstances, a trademark is capable of distinguishing or becoming distinctive. The name Chipinge coffee has been widely used to refer to the coffee\textsuperscript{1151}, it can therefore be argued that there are circumstances which indicate that the name has become capable of distinguishing or distinctive.

Given that the farmers were of the view that ZCM could instigate this process, a trademark could also be registered in the name of ZCM. Interestingly, ZCM already owns a trademark ‘Pinnacle’\textsuperscript{1152} which it registered when the company was incorporated in 1996. The mark is registered for products in Class 30 (which includes products such as coffee and tea)\textsuperscript{1153}. However, that trademark is not used for purpose of marketing Chipinge coffee. There does not seem to be any use of that trademark on any coffee products or merchandise of ZCM. It appears to be a case of non-use, which in terms of s 31 (b) of the Act can lead to the removal of the trademark from the register.

That said, it does not have to be ZCM only that can register the trademark for Chipinge coffee. The Trade Marks Act in s 34 (1) provides that the Registrar may allow the registration of a trademark in the name of a body corporate that is about to be constituted, if the Registrar is satisfied that the applicant intends to assign the trademark to the body corporate once it is

\textsuperscript{1148} Section 5 (2)(b) and s 13.
\textsuperscript{1149} Section 12 (1)(d).
\textsuperscript{1150} Nyakotyo op cit note 17 at 190.
\textsuperscript{1151} Kireeva & O’Connor op cit note 11 at 291, Chinedu et al op cit note 11 at 89, Nyakotyo op cit note 17 at 190, Dagne op cit note 951 at 147.
\textsuperscript{1152} Trade Mark No. TM/T/1996/1347 registered for goods and services in Class 30.
\textsuperscript{1153} Trade Marks Regulations, Third Schedule.
constituted\textsuperscript{1154}. It therefore possible to register Chipinge coffee in the name of an interested person, provided that the trademark will then be transmitted, preferably to an organisation of the coffee producers.

A trademark could also be licensed\textsuperscript{1155}, for example to buyers or roasters, which can be way to make Chipinge coffee more visible to consumers. It could be advantageous due to the flexibility of exploring different methods of production without amending standards as in geographical indications systems\textsuperscript{1156}. As Chipinge coffee is beginning to resurface on the market, growers may want the latitude to adjust production processes. Already there are efforts to assist farmers in improving cultivation and pre-processing of the coffee before it is taken to the mill in Mutare.

Should a trademark be registered for Chipinge coffee, it would not be the first on the continent. Some countries have registered trademarks for coffee. Rwanda, for instance, has registered some local coffees under the country’s trademark laws before the enactment of the geographical indications law, for example Maraba coffee\textsuperscript{1157}. Burundi has promoted its specialty coffee Ngoma Mild since 1998, employing an artistic logo on the packaging. The brand itself is, however, not protected\textsuperscript{1158}. Also, one of the most notable branding efforts on the continent for coffee is the Ethiopian Trademark and Licensing Initiative\textsuperscript{1159}. The Ethiopian trademarks are unique in that firstly, the trademarks identify the place of origin and secondly, the trademarks are owned by the government and not a private entity.

7.7.2 Collective mark

It emerged from the study that the farmers preferred a strategy that would enable all of them to participate and benefit, and therefore a collective mark could be a suitable option. In terms of the Trade Marks Act, a collective mark is intended to distinguish the goods or

\begin{footnotesize}
\begin{itemize}
\item\textsuperscript{1154} Section 34 (1)(a).
\item\textsuperscript{1155} Section 27 (1).
\item\textsuperscript{1156} M O’Kicki ‘Lessons Learned from Ethiopia’s trademarking and licensing initiative: is the European Union’s position on geographical indications really beneficial for developing nations?’ (2009) 6 (2) Loyola University Chicago International Law Review 311- 337 at 331.
\item\textsuperscript{1157} T Coulet ‘Rwanda coffee’ In M Blakeney, T Coulet, G Mengistie and MT Mahop (eds) Extending the protection of geographical indications: case studies of agricultural products in Africa (2012) 268.
\end{itemize}
\end{footnotesize}
services of persons who are members of an association from goods or services of persons who are not members of the association. The Act states that the application for registration would be done by an association and must be accompanied by a copy of the constitution of the association. That is the limitation of this option for Chipinge coffee, as there is currently no single body or association of coffee growers. There are several cooperatives and informal growers’ associations throughout the region, but they do not have a formal structure of cooperation or organisation.

Nonetheless, as the substantive provisions for trademarks apply equally to collective marks, it can be argued that registration for a collective mark for Chipinge coffee can be done by an interested person and the mark subsequently transmitted to the association once it is constituted, as provided for in s 34 (1) of the Act. If the cooperatives and growers’ associations can be leveraged to establish a formal organisation, they stand a better chance to make use of a collective mark.

Though the Trade Marks Act provides that the application for the registration of collective mark, duration and renewal of registration, shall be guided by the provisions that relate to trademarks, it is not sufficient to address the nature of collective marks. For example, the Act does not mention whether an application for registration of a collective mark must be accompanied by the rules governing the use of the collective mark by the members of the association. It may be necessary to include rules governing use as is the case for certification marks in s 46 (1) of the Act. An example of a collective mark governed by standards is Nepal Coffee, registered for organic Nepali coffee in 2010. Though the collective mark is owned by the Nepali Tea and Coffee Development Board, it issues permits to use the mark to coffee factories and exporters that comply with the set standards.

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1160 Section 100A (1).
1161 Section 100A (2).
1162 Trade Marks Regulations, reg. 76 (b).
1163 Section 100A (3).
1164 Section 100A (3).
1166 Ibid.
7.7.3 Certification mark

A certification mark distinguishes goods or services certified in respect of origin, material, mode of manufacture or performance, quality, accuracy or any other characteristic from goods or services. Chipinge coffee could therefore be registered in respect of origin, mode of production or quality. Certification marks are registrable under Part C of the register and the Act spells out that the mark should be distinctive or able to distinguish, and as discussed under the trademark section above, Chipinge coffee meets that requirement.

Application for the registration is done by a person proposed to be registered as the proprietor and must be accompanied by the rules for governing the use of the certification mark. There are two potential hurdles: proprietorship and rules governing use. As regards proprietorship, in terms of s 42 (1) of the Act, the mark cannot be registered in the name of a person who carries on trade in the goods for which the mark is certified. It therefore must be an independent body which can assess the characteristics of the product. ZCM as an aggregator of Chipinge coffee could be the owner of the certification mark, but the challenge is that it is involved in the trade of the goods. It can be argued however, that as an entity it does not actually trade in the coffee but facilitates the trade in the coffee. It is involved in processing the coffee on behalf of the growers, not in its’ capacity as a legal persona. An example of a coffee certification mark is Coffee Kenya, registered by the Coffee Board of Kenya in 2005, which is used on coffee produced in Kenya according to the coffee industry code of practice.

Regarding the rules governing use as required by s 44 (2) of the Act, the Registrar must consider whether the rules are satisfactory. It therefore means that the rules must be sound. In this case, it is possible to seek support from other stakeholders and facilitators in the value chain, particularly CoRI and AGRITEX, which are involved in research and extension services, respectively. A public-private synergy involving these institutions and the Standards Association of Zimbabwe, could provide technical assistance and the process of setting standards.

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1167 Section 42 (1).
1168 Section 5 (2)(c) and s 44 (1).
1169 Section 44 (1).
1170 Section 44 (2) and reg. 71 (b)(ii).
1171 Trademark No.66945, see Coulet op cit note 115 at 217.
1172 Section 44 (5)(b).
1173 Bringing in agencies to maintain standards and improve quality is observed in Kenya, where the Bureau of Standards is tasked with coffee standards and the Research Foundation is tasked with coffee research, see D
It is also a requirement in the Act that the certifying entity be competent to certify the goods in respect of the mark. Although ZCM undertakes a role in quality assessment the issue is whether it could adequately be a competent certifying authority for Chipinge coffee. ZCM is unable to monitor the standards for coffee cultivation and it does not have the resources to ensure farmers comply with standards of production. All it does is determine the cup quality when the coffee beans have been brought to the mill. It may therefore be a challenge for it to certify the coffee, but if ZCM were to set up proper certification systems, it should be possible to register a certification mark for Chipinge coffee.

A certification mark bodes well with the ZCM recognition on the importance of improving production, quality assurance and product certification. These processes are also crucial in setting up a certification mark and the fact that those within the value chain are considering these issues can give impetus to efforts around a distinguishing mark. Further, with the participation in global markets comes a demand for traceability and quality assurance of Chipinge coffee by their markets, as the global markets continue to demand traceability and quality assurance. A certification mark has no limit in terms of geographical area for producers, which could be preferable for Chipinge coffee should challenges be anticipated on the climatic factors (in the different sub-regions of the Eastern Highlands) as espoused under geographical indications schemes.

7.7.4 Geographical Indication

The Geographical Indications Act provides that any person who sells, manufactures, imports, or exports the product, or who in the course of business consumes or uses a product, or an organisation representing such persons, can apply for registration. The provision is broad in terms of eligible applicants. Ideally ownership would vest in the producers as the

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Barjolle, XF Quinones-Ruiz, M Bagal and H Comoe ‘The role of the state for geographical indications of coffee: case studies from Colombia and Kenya’ (2017) 98 World Development 105-119 at 112.

1174 Section 44 (5)(a).

1175 The case of Café de Colombia illustrates a system of internal and external quality control, with Almacafé being responsible for the quality control and logistics, while Cafécert is responsible for the coffee quality certification, See X Quinones-Ruiz, M Penker, C Vogl and L Samper-Gartner ‘Can origin labels re-shape relationships along international supply chains? the case of Café de Colombia’ (2015) 9 (1) International Journal of the Commons at 416-439 at 424-7.

1176 ZCM Interview and Coffee sub-sector strategy op cit note 1047 at 19.


1178 Geographical Indications Act, s 16.
collective or the state on behalf of the producers. An association of Chipinge coffee growers can apply and so can the ZCM as user and exporter. As already discussed under a collective mark, there is however, no formal structure for collective organisation around Chipinge coffee.

The Geographical Indications Regulations prescribe the form of application, the documents to be submitted and administrative processes. In terms of the Regulations, the application must indicate the geographical area precisely, the product including its’ physical, chemical, or organoleptic characteristics and the link to the characteristics of the product attributable origin. These requirements envisage a strong link to origin. There does not seem to be any study that has investigated the link between Chipinge Coffee quality and the geographic origin.

Anecdotal evidence does, however, suggest an origin link between the climatic and human factors in the Eastern Highlands and Chipinge coffee. It is a full body coffee with an earthy chocolate aroma and sweet woody flavour and the fermentation and drying process affect the body and flavour of the coffee. Cultivated in deep moisture rich soils its acidity is affected by the high rainfall averaging 1000 mm. The coffee farmers are aware of the uniqueness of the coffee, even in instances where they had no knowledge about legal protection schemes. More data would need to be gathered to outline the properties of the coffee linked to the Eastern Highlands. It would include data on the natural factors (altitude, soil quality, rainfall) and human factors (cultivation, harvesting and processing), all which can be gathered with assistance from CoRI.

The registration is hinged on rules of governance, usually a Code of Practice (CoP), which identifies and delimits the geographical boundaries for the production area and sets out

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1179 Statutory Instrument 70 of 2016.
1180 Reg. 6 (2)(c).
1181 Reg. 6 (2)(d).
1182 Reg. 6 (2)(e).
1184 There was an appreciation of the distinctiveness of coffee and this awareness of growers of the uniqueness of their coffee. The same was observed in a study on potential geographical indications in Tanzania, where growers believed their coffee was unique when compared to coffee from other regions, see I John, R. Lokina and H. Egelyng ‘Small scale producers of quality products with potential of geographical indication protection in Tanzania’ (2020) 8 International Journal of Food and Agricultural Economics 193-205 at 197.
the standards of production and quality\textsuperscript{1185}. These requirements sometimes mean geographical indications face practical challenges to develop and implement particularly the requirement around specification and standards of production. This was the case with the Jarabacoa region in the Dominican Republic where the delimitation of the geographical boundary and definition of product quality elicited divergent views between the producers and the dominant buyers\textsuperscript{1186}. Establishing a robust CoP for Chipinge coffee will therefore require the participation and consensus of different stakeholders, including commercial farmers, small scale growers, ARDA, ZCM, CoRI and GMB\textsuperscript{1187}, especially given that such a process has not been undertaken before in Zimbabwe.

As geographical indications must comply with set standards of quality, the whole premise is a guarantee. Within the context of single origin coffees, a geographical indication can help tap into niche markets, especially where reputation is established\textsuperscript{1188}. Certifying qualities and attributes of a product or the production process is observed as a method for decommodification, particularly for specialty coffees that emphasise the qualities of the coffee or production process\textsuperscript{1189}. Chipinge coffee can be marketed as a single origin coffee, and a limited edition Arabica coffee \textit{Tamuka mu Zimbabwe} is already on the market\textsuperscript{1190}.

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{1185} F Galtier, G Belletti and A Marescotti ‘Factors constraining building effective and fair geographical indications for coffee: insights form a Dominican case study’ (2013) 31 (5) Development Policy Review 597-615 at 600-1, argue the centrality of a CoP, to put at the fore the characteristics of the local coffee production system. See Galtier et al op cit note 1185 at 609-10, due to the territorial and altitude delimitations, the CoP would lead to lower volumes of coffee and a weaker link with the geographical origin on climate and human characteristics. In addition, the process left out producers that had the same potential for quality and legitimacy who were in two of the areas initially identified when discussions for a GI began and who were also the poorest. A robust CoP will encompass what Galtier et al op cit note 1185 at 600, describe as an ‘effective and fair’ CoP, effective in that it facilitates benefits to producers through an increase in price or sales, and fair in that it enables the distribution of surplus equally to producers with the same potential for quality and legitimacy for use of the geographical indication, including the poorest actors in the system.
\item\textsuperscript{1188} UNCTAD Why geographical indications for least developed countries? (2015) 35-6, Teuber op cit note 10 at 287.
\item\textsuperscript{1189} B Lewin, D Giovannucci and P Varangi ‘Coffee markets: new paradigms in global supply and demand’ World Bank Agriculture and Rural Development Discussion Paper No 3 1-132 at 99, UNCTAD op cit note 1188 at 57-8.
\item\textsuperscript{1190} See Nestle ‘Tamuka mu Zimbabwe’ available at https://www.nespresso.com/us/en/order/capsules/original/zimbabwe-sustainable-coffee-pods and https://www.nespresso.com/kr/en/zimbabwe-coffee, accessed on 10 January 2020. Galtier et al op cit note 1185 at 609, identify strategies for leveraging origin link which include (i) higher quantities of coffee to scale the intermediate market (ii) smaller quantities to capture the end point niche consumer markets (iii) in case of weaker origin link, higher coffee quantities, with promotion, could capture markets. Considering the tonnage of Chipinge coffee is low, it may be prudent to pursue niche consumer markets.
\end{enumerate}
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7.8 Conclusion

This chapter used an exploratory case study to examine how trademarks and geographical indications can be implemented for small scale farmers of unique agricultural products, addressing the third and fourth question of the thesis. The objective of this chapter was to provide an indication on whether trademarks and geographical indications could be useful in the Zimbabwean context, taking into consideration the views and perspectives of producers of Chipinge coffee. It showed the challenges to small scale farming, as discussed in chapter 5, equally apply to the small scale coffee growers in the Eastern Highlands. Though the coffee growers face significant challenges, they have persisted in endeavouring to put Chipinge coffee on the global market. Government programs implemented to support other crop production should also be directed towards coffee whether it is financing, seed schemes or farm mechanisation.

Adopting a suitable legal protection strategy can help scale up the recognition of Chipinge coffee on the market and facilitate better returns to the small scale growers in the Eastern Highlands. But the lack of awareness about the legal protection regimes means these have not been utilised. This chapter has shown that the purpose of a distinguishing mark for Chipinge coffee, according to the stakeholders, revolves around marketing – which is also an issue highlighted in chapter 5. The usefulness of a legal protection scheme is to identify and market the coffee, and thus a strategy which does that better would best serve the purpose.

In that respect, the ZCM occupies a central place in the coffee value chain, and the view of the producers is that ZCM spearhead the strategy for legal protection. Chipinge coffee can therefore be protected as a trademark, collective mark, certification mark and geographical indication. Considering the different factors that could work in favour or against a specific regime and given that the coffee growers preferred a strategy in which they could all participate and benefit, it is submitted that either a geographical indication or a certification mark are better options. Chipinge coffee could be the first geographical indication to be registered under the Geographical Indications Act as currently the legislation has not been used for domestic products. The challenge would be crafting the regulations to demarcate the area, outline the legal requirements for participation in the scheme, quality of product and production methods. The fact that there is no association of producers poses a challenge, but if the cooperatives and growers’ associations can be leveraged to establish a formal organisation, it can be possible to register a geographical indication.
Though a geographical indication would offer stronger legal protection, a certification mark seems more appropriate given the limited visibility of Chipinge coffee on the international markets and the quantities of coffee currently produced. It could be a better option in the short term. The main challenge with registering a certification mark instead of a geographical indication would be that Chipinge coffee would not be regarded as a geographical indication in destination markets as in terms of TRIPS art. 24 (9) there is no obligation for member states to protect geographical indications which are not protected in their country of origin.

It is submitted that there is no limit to pursuing both, beginning the geographical indication process and at the same time registering a certification mark. The volume and quality of the coffee could support a strategy for specialty coffee and the benefit of that is the control over production, which has an impact on the quality and price of the coffee. Chipinge coffee could be established as a specialty coffee and given the branding that Nestle has done around Tamuka mu Zimbabwe, one can say the stars have aligned. With support from government, development partners, actors, and facilitators in the value chain, it is possible to begin this process. Establishing producers’ associations would prepare the sector for an IP strategy.
Chapter 8 - Conclusions and Recommendations

8.1 Introduction

This thesis sought to address how developing countries in Africa can use trademarks and geographical indications to advance their economic development objectives and identified small scale producers as potential beneficiaries of these rights as they constitute a significant portion of economic activity on the continent. This chapter summarises the arguments made in this thesis, draws some conclusions, and makes recommendations for legislative changes that Zimbabwe and South Africa can consider, to enhance the use of trademarks and geographical indications by small scale producers. It proposes interventions that can be made to identify and create strategic clusters of enterprises and to facilitate producer associations that can utilise distinguishing marks to improve marketing, increase visibility of products and localise economic control.

8.2 Summary

In resolving the overall question how developing countries in Africa can use trademarks and geographical indications to advance their economic development objectives, the thesis addressed five sub-questions; what are the functions of trademark and geographical indication; what is the international and African regional legal framework for the protection of trademark and geographical indication; how can Zimbabwean and South African SMEs and small scale farmers of unique agricultural products potentially benefit from trademark and geographical indication protection; what are some of the structural and operational challenges in using trademark and geographical indications for SMEs and small scale farmers of unique agricultural products; and what legislative and regulatory changes can Zimbabwe and South Africa adopt and what interventions can be made to enhance the use of trademark and geographical indication by SMEs and small scale farmers.

Chapter 2 addressed the first sub-question; it discussed the functions of trademarks and geographical indications and the relationship between them. Though distinct legal regimes trademarks and geographical indications serve primarily the same core function of distinguishing goods. In examining potential conflicts between trademark and geographical indication, it was contended that TRIPS art. 22 (3) and 23 (2) in attempting to address a scenario of an earlier geographical indication, establish superiority of a geographical indication over a trademark as registration of a trademark which consists of a geographical
indication may be invalidated where such use may mislead the public. In the case of an earlier trademark, however, art. 24 (5) limits the use of a geographical indication where an application for a trademark has been registered in good faith, or where trademark rights have been acquired through use in good faith, consistent with the ‘first in time, first in right’ rule. It was submitted that this can be detrimental to developing countries where trademarks have been registered in developed countries with names that are essentially geographical indications in the developing countries, key examples being the cases of Basmati rice from India and Rooibos tea from South Africa. The thesis submitted that trademarks and geographical indications, as product differentiation strategies, can be deployed to address marketing related challenges of small scale producers. Countries can decide what regime of protection to implement for origin-linked goods, and thus advance their economic development objectives.

In formulating a response to the second sub-question, the thesis in chapter 3 set out the international legal framework which lays the foundation upon which the national laws are framed. It discussed the key provisions on trademark and geographical indication protection in the international instruments – namely, the Paris Convention, Madrid Agreement, Nice Agreement, Lisbon Agreement and TRIPS Agreement. Key principles such as national treatment, independence of marks and the right of priority were established by the Paris Convention and are also contained in the subsequent instruments such as the TRIPS Agreement. The Madrid Agreement and its Protocol enabled the international application for registration of trademarks while the Nice Agreement established the classification system for goods and services. The different treaties in respect of geographical indications subject matter, ensure the continued and parallel use of different terminology. The diversity of approaches enable flexibility which countries may require in tailoring their legal protection schemes for unique products. Chapter 3 also considered the debate around the extension of geographical indication subject matter and the relationship between trademarks and geographical indication. The thesis advanced the position of developing countries that there is no justification for the continued distinction and hierarchy in the levels of protection in favour of wines and spirits under TRIPS art 23 (1).

The thesis examined the African regional legal framework for trademarks and geographical indications under the two IP regional organisations ARIPO and OAPI, and the continental efforts around harmonisation. The main difference between ARIPO and OAPI in the approach to administering IP, is that OAPI has a uniform system – it receives, processes
and grants title in the member states, while ARIPO receives and processes applications in designated member states and the validity of granted titles is only in the designated states which undertake the substantive examination themselves. In addition, ARIPO’s administrative role is limited to trademarks as the only legal framework available in this context is the Banjul Protocol on Marks. The regional legal frameworks under the two IP organisations reflect the key provisions of the international treaties. The OAPI legal protection framework however stands out as it recognises the importance of collective rights in Annex III art. 32 of the Bangui Agreement, which makes available collective marks for associations of producers to facilitate economic development. It also incorporates the higher level of protection afforded to wines and spirits in TRIPS art. 23, to all products in Annex VI art. 15 (3) of the Bangui Agreement. The creation of PAIPO as a specialised agency of the AU, is intended to support the harmonisation of IP standards. But given the differences in national and regional approaches, that is a difficult task. The PAIPO Statute does not contain any substantive provisions on trademarks and geographical indications, it however mentions geographical indications as an area where PAIPO shall provide a forum for policy discussion and formulation to establish a common position. The AU has thus adopted a continental strategy for geographical indications, recognising the potential for using these strategies for among others, rural development.

Chapter 5 examined the legal frameworks for trademarks and geographical indications in the two study countries Zimbabwe and South Africa to provide some country-specific context and partly address the third sub-question. The laws of the two countries reflect the key provisions of international treaties. Zimbabwe is party to the Madrid Protocol and therefore international registration of marks is possible. It is also a signatory to the Banjul Protocol on Marks under ARIPO. South Africa is not party to either the Madrid Agreement or the Madrid Protocol, neither is it a member of ARIPO. Though both countries are not signatory to the Nice Agreement they adhere to the international classification system of marks that it established. The two countries have largely similar trademark legal frameworks, with statutory and common law protection. A key difference relates to the infringement provisions. The Zimbabwean legislation provides that a trademark is infringed by unauthorised use of a similar mark in relation to the same goods or services, but the South African legislation goes further and provides for infringement by dilution. Certification and collective marks form part of the trademark system in both jurisdictions. Though they are defined separately, the rights that flow from registration are largely similar to those of a
trademark. The main distinction between the two jurisdictions is in relation to geographical indications, Zimbabwe has a *sui generis* system while South Africa protects geographical indications through certification and collective marks. Though Zimbabwe has enacted *sui generis* law, protection is also available under the trademark regime and consumer protection laws, thus creating overlaps.

Also addressing the third sub-question, the thesis in chapter 6 introduced two sectors, SMEs and small scale farming, in which trademark and geographical indication could be beneficial. The chapter highlighted the different institutions that support SMEs in Zimbabwe and South Africa, though a lack of effective coordination leads to fragmentation and duplication of activities. Government policies in both countries have sought to direct more opportunities to SMEs, for example through black empowerment laws. However, challenges abound which impact the growth of SMEs, and among these are marketing related challenges. Small scale farming is considered crucial, particularly around rural development. It was shown that institutional capacity and support for small scale farmers is inadequate. Small scale farmers face many challenges, among these, market access and compliance with standards. The thesis contended that opportunities for scaling up can enable the two sectors to be more productive, and in this respect collective strategies under certification marks, collective marks and geographical indications can play a complementary role. These schemes can facilitate collaboration among small scale producers and enable the standardisation of quality of a common product. The thesis submitted that clusters, where there is concentration of similar or related or complimentary activities within a location, present a framework within which such collective rights can be appropriated. By focusing on clusters, African countries can facilitate agglomeration and develop capacity for small scale producers to use distinguishing marks.

The thesis employed a case study to examine how trademarks and geographical indications can be implemented for small scale producers in addressing the fourth sub-question. It presented the findings of an exploratory case study undertaken in Zimbabwe on the potential of a distinguishing mark for Chipinge coffee grown in the Eastern Highlands of the country. It discussed the perspectives of stakeholders on a legal protection scheme for Chipinge coffee and found that the majority had no awareness of the IP tools. They however, considered a distinguishing mark a viable strategy to identify and market Chipinge coffee and were willing to adopt a strategy that enabled them to participate and benefit as a collective. The thesis examined whether the institutional framework could support such protection.
schemes and found that the Zimbabwe Coffee Mills (ZCM) occupies a central place in the coffee value chain as the aggregator, processor, and marketer of the coffee. The unique position that it occupies can enable it to be the entity that certifies quality under a certification mark, the owner of a geographical indication, or the proprietor of a trademark. The lack of a producer association is a challenge to adopting a legal protection strategy, as there is no single body or association of coffee growers, but several cooperatives and informal growers’ associations throughout the region with no formal structure of cooperation or organisation. A geographical indication for Chipinge coffee would be appropriate but further investigation would be required to demonstrate the link to origin as there only seems to be anecdotal evidence. The most scalable option currently would be a certification mark given that ZCM already undertakes some quality assurance. The thesis submitted that the main limitation with that option is that Chipinge coffee may not be regarded as a geographical indication in export markets as in terms of TRIPS art. 24 (9) countries have no obligation to protect geographical indications which are not protected in their country of origin. It is the position of this thesis that there is no hinderance to pursuing both options, initiating the geographical indication process and simultaneously registering a certification mark.

The next section draws some conclusions from the thesis and proposes legislative changes and interventions that governments can make to enhance the adoption of trademarks and geographical indications to address the fifth sub-question and resolve the research question.

8.3 Conclusions

(i) SMEs and small scale farmers face significant constraints

SMEs play a significant role in economies on the continent, creating employment and poverty alleviation in African countries. They however face several challenges that limit their growth, including financial constraints, limited business management skills/training and marketing strategies. Their ability to produce quality products and access markets is limited. Due to their size, SMEs face constraints that undermine their capacity to be competitive. With limited production capacity they are unable to adopt marketing strategies to gain access into distribution networks and enter the market. Marketing related problems constitute one of the

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1191 Abor & Quartey op cit note 19 at 219, Fiseha & Adewale Oyelana op cit note 20 at 286, Majoni et al op cit note 752 at 380.
main challenges to the growth of SMEs\textsuperscript{1192} and there is a correlation between lack of and poor marketing strategies and the failure of SMEs\textsuperscript{1193}. The same is observed for small scale farmers; their participation on the markets is limited due to low productivity, financial resources, farming machinery and poor post-harvest infrastructure\textsuperscript{1194}.

(ii) Trademarks and geographical indications can be useful for SMEs and small scale farmers

Trademarks and geographical indications may facilitate economic development in Africa when used by SMEs and small scale farmers of unique agricultural products\textsuperscript{1195}. Considering the prevalence of these sectors in Zimbabwe and South Africa, collective strategies may potentially offer better prospects. Globally several geographical indication products are produced by small and medium enterprises\textsuperscript{1196}. Where small enterprises produce goods with common characteristics distinguishing marks can facilitate cooperation as reputation depends on the quality of their products as a collective.

Developing countries are increasingly realising the usefulness of trademarks and geographical indications for market differentiation for commodities like rice, tea and coffee, and as strategic tools for value-chain coordination\textsuperscript{1197}. Several agricultural products and handicrafts have been identified across the continent\textsuperscript{1198} and efforts are underway to appropriate these collective rights. In West Africa, OAPI under the PAMPIG Project has registered Oku honey and Penja pepper (Cameroon) Korhogo cloths (Côte d’Ivoire) and Ziama Macenta coffee (Guinea)\textsuperscript{1199} and continues to identify potential products. In South Africa, certification marks have already been used to protect some of the origin-based products like Rooibos and Karoo lamb.

\textsuperscript{1192}Cant & Wiid op cit note 30 at 709, Karedza et al op cit note 789 at 39, Bomani op cit note 780 at 287.
\textsuperscript{1193}van Scheers & Makhitha op cit note 30 at 245.
\textsuperscript{1194}Louw et al op cit note 163 at 296, Jari & Fraser op cit note 906 at 62.
\textsuperscript{1195}Cant et al op cit note 31 at 735–744, Armour op cit note 168 at 69.
\textsuperscript{1198}Kireeva & O’Connor op cit note 11 at 308, Chinedu et al op cit note 11 at 87.
\textsuperscript{1199}Chabrol et al op cit note 12. Also, in OAPI some products have been registered as collective marks for instance Belle de Guinee, a collective mark for a potato from Guinea, see AU Continental Strategy op cit note 50 at 7.
(iii) Legal frameworks exist but uptake is insufficient

Though Zimbabwe enacted the Geographical Indications Act in 2001, there were no implementing regulations until 2016. Even after the regulations were gazetted there has been no activity to identify products to be protected under the Act, this is even though there are several products, including Chipinge coffee presented in the previous chapter. The Act entrenches the hierarchy of protection as found in TRIPS art. 23 on additional protection to geographical indications for wines and spirits without the necessary calibration to apply that same level of protection to other natural, agricultural and handicraft products.

Within the regional legal frameworks, ARIPO provides for trademarks only and OAPI both trademarks and geographical indications. However, of the nineteen members of ARIPO, only eleven have ratified the Banjul Protocol on Marks. Even though ARIPO simply ensures compliance with the formalities for registration and substantive examination is done in the designated countries\textsuperscript{1200}, it is a useful avenue to register trademarks in the region. OAPI has substantive and procedural aspects for trademarks in Annex III of the Bangui Agreement\textsuperscript{1201} with registration effective in all the member states\textsuperscript{1202}. The same applies for geographical indication governed by Annex VI of the Bangui Agreement\textsuperscript{1203}.

8.4 Recommendations

The following recommendations are aimed at addressing specific issues observed in the two study countries, Zimbabwe, and South Africa, but they may also be applicable to other African countries that may face similar challenges. The two study countries do not always have the same issues and in that respect the recommendations made below focus on areas of concern relevant to the respective country.

8.4.1 Align legislation with development objectives

Zimbabwe and South Africa can consider legislative changes to enhance the use of trademarks and geographical indications by SMEs and small scale farmers. In the case of Zimbabwe, there are two provisions that may need attention: s 3 (1)(d) of the Geographical Indications Act and s 100A of the Trade Marks Act. Though the Geographical Indications Act

\textsuperscript{1200} Banjul Protocol, s 5.
\textsuperscript{1201} Bangui Agreement, Annex III, art. 14.
\textsuperscript{1202} Bangui Agreement, Annex III, art 32. Registration in the OAPI register leads to automatic protection in all the seventeen member states.
\textsuperscript{1203} Bangui Agreement, Annex VI, art. 9.
closely mirrors TRIPS, it may have been crafted with foreign products in mind. This is because of s 3(1)(d) of the Act, which provides that a geographical indication is considered misleading in relation to wines or spirits where it is accompanied by phrases like ‘kind’, ‘type’, ‘style’, ‘imitation’ or the like. It is styled after TRIPS art. 23 which gives additional protection to geographical indications for wines and spirits. The Act therefore entrenches the hierarchy of protection that has been challenged at the WTO.

It is submitted that there is no justification for such a distinction in the national law. As a member of the African Group at the WTO, Zimbabwe supported the proposal for the extension of the protection afforded by TRIPS art. 23 to all products. It seems self-defeating to then incorporate the provision wholehse without the necessary nuances to capture national objectives. Zimbabwe is an agricultural country endowed with vast natural resources and this is a missed opportunity to calibrate its law. Zimbabwe could borrow a leaf out of OAPI’s book: Annex VI art. 15 (3) of the Bangui Agreement incorporates the higher level of protection afforded to wines and spirits in art. 23 of TRIPS to all products.

Section 100A of the Zimbabwean Trade Marks Act, which relates to collective marks, provides that the application for the registration of collective mark, duration and renewal of registration, is guided by the provisions that relate to trademarks. It is, however, insufficient to address the nature of collective marks. As illustrated in the case study of Chipinge coffee in the previous chapter, the Trade Marks Act contains no provision for rules governing the use of the collective mark by the members of an association to accompany an application for registration. It is necessary to include rules governing use as is the case with certification marks. In South Africa, the law requires rules governing the use of the collective mark which rules specify persons authorised to use the mark, conditions of membership, conditions of use of the mark and penalties for misuse. Zimbabwe could learn from its’ neighbour.

It is recommended that Zimbabwe considers amending s 3 (1)(d) of the Geographical Indications Act that provides higher level of protection to wines and spirits, so that the same can apply to other natural, agricultural and handicraft products.

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1204 Nyakotyo op cit note 17 at 191, states that the law was enacted due to the need to comply with TRIPS obligations.
1205 The WTO discussions around extension of protection are discussed in chapter 3, section 3.4.
1206 Trade Marks Regulations, reg. 57 (3).
It is recommended that Zimbabwe considers amending s 100A of the Trade Marks Act to introduce a provision that requires an application for registration of a collective mark to be accompanied by rules governing the use of the collective mark.

With South Africa there are two issues which signal a need to consider sui generis protection for geographical indications: fragmentation of protection and limitations of the trademark system. There is no specific legislation relating to geographical indications, which are protected as certification or collective marks in terms of the key pieces of legislation. Though the Department of Agriculture issued regulations which extend the protection of geographical indications, the regulations are limited to agricultural products. Regulations are subsidiary legislation and provide guidelines that dictate the application of the provisions of an Act. In this case, the Agricultural Product Standards Act, from which the regulations find expression, does not contain a definition of a geographical indication. It may be an attempt at dealing with the fragmentation. Consolidating would create a more consistent system.

The limitations to using the trademark system are in relation to duration of protection. As certification and collective marks are governed by the same provisions as individual trademarks in terms of s 42 (2) and s 43 (3) of the Trade Marks Act, it also means the duration of protection is ten years and subject to periodic renewal every ten years. In terms of s 37 (3) of the Act, failure to renew can lead to cancellation. It would mean continual renewal to remain on the register where a geographical name is protected as certification or collective mark, the exception being geographical indications constituted by traditional terms or expressions. Bienabe and Marie-Vivien state that ‘the lack of consistent criteria to link the product to its origin, which is a general feature of trademark regimes and even of certification marks, can seriously hamper GI dynamics.’ The product-origin link, which is a key feature of geographical indications system, is thus not observed with trademarks which generally serve a commercial indication purpose.

It is recommended that South Africa considers consolidating its’ geographical indications law and/or enact a geographical indications law.

1207 As discussed in chapter 5, section 5.3.2.
1208 Sibanda op cit note 737, also echoes the need for a sui generis scheme for South Africa.
1209 Trade Marks Act, s 43E (2)
1210 Bienabe & Marie-Vivien op cit note 16 at 63.
8.4.2 Integrate small scale producers in IP Policy

The Zimbabwe IP Policy represents a positive shift and useful strategy to enable small scale producers to participate in the IP system. Though the IP Policy mentions geographical indications for agricultural products\(^{1211}\) and collective marks and geographical indications for SMEs where appropriate\(^{1212}\) it makes no mention of certification marks for the two sectors. This is a missed opportunity considering that certification marks could be essential in standardisation and promote the quality of goods and services especially when used by associations of producers. Certification marks underscore quality and therefore the opportunity to guarantee quality and build reputation of products. The case study in chapter 7 highlighted the potential and limitations of each legal regime for Chipinge coffee, it would be practical to be able to have such an exercise for products of small scale producers. That could enable the adoption of an appropriate legal scheme for protection.

*It is recommended* that in the next iteration of the Zimbabwe IP Policy (the current one ends in 2022), all potential IP tools that small scale producers could make use of be outlined.

8.4.3 Identify strategic clusters for trademark and geographical indication

Clustering can facilitate the growth of SMEs especially considering that clusters have become common in many urban areas on the continent. It can be a way to overcome size constraints and create stronger networks which can facilitate access to markets, but it can also be a way to make use of distinguishing marks. Creating strategic clusters is one way to introduce product differentiation through collective rights and improve the efficiency of SMEs, especially those that engage in some export\(^{1213}\).

By their very nature clusters create a framework for cooperation, a necessary element when appropriating collective rights. Where clusters revolve around common production methods or raw materials that can be leveraged for a collective mark, certification mark or geographical indication. Identifying strategic clusters that can use trademarks and

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\(^{1211}\) IP Policy, s 2.4.1.

\(^{1212}\) IP Policy, s 2.4.9.

\(^{1213}\) Yoshino op cit note 998 at 155, notes that enterprises can engage in ‘…joint investments in facilities to provide the certification of product quality required by overseas markets’, certification marks are one way to signify quality and enterprises stand to benefit from the collective reputation over time. He also found that being in clusters increased the probability of an enterprise to sell in non-local markets by more than 40 per cent and the probability to export by more than 10 per cent, thus an opportunity to endorse such goods with certification or collective marks.
geographical indications can enhance the uptake of these IP rights. The furniture manufacturing clusters highlighted in chapter 6 are examples of strategic clusters in Zimbabwe and South Africa. Governments can begin identifying SME clusters and then institutional support can subsequently be directed.

*It is recommended* that Zimbabwe and South Africa embark on a process to identify strategic clusters and the potential products for trademark and geographical indication protection.

### 8.4.4 Facilitate/Strengthen producers’ associations

Producer associations offer advantages around resource mobilisation and market access\(^\text{1214}\). Associations can help improve production capacity, facilitate mentorships, knowledge, and resource sharing. It can help small scale producers to overcome some of the constraints they face due to their size. In that context, they can use distinguishing marks that can enable them to be competitive particularly through quality assurance and taking advantage of reputation of products in the market.

Where producer associations already exist, improving linkages between the different associations would be strategic in establishing a framework for cooperation. Where potential products exist but no structure for cooperation, the creation of producer associations would be necessary. In the case of a registering a collective mark, for example, the trademark legislation of the study countries, require that an association already be in existence\(^\text{1215}\). The case study of Chipinge coffee in chapter 7 highlighted the importance of producer associations in adopting a legal protection scheme. Compliance with rules will be paramount if countries are to adopt legal protection schemes for producers\(^\text{1216}\), as such facilitating/strengthening producer associations can enable producers to begin to develop standards of production, product quality and characteristics and develop best practices.


\(^{1215}\) Zimbabwe Trade Marks Act, s 100A and South Africa Trade Mark Act, s 43(1).

\(^{1216}\) Adewopo et al op cit note 997 at 119, found that in the Nigerian leather and textiles study that officials were not enforcing standards as they did now want to discourage small and medium enterprises, such an approach to compliance would ruin quality and reputation of a product.
In preparing to use trademarks and geographical indications, it is therefore recommended that the governments of Zimbabwe and South Africa pursue avenues to facilitate/strengthen producer associations.

8.5 Concluding Remarks

This thesis has sought to address how developing countries in Africa can use trademarks and geographical indications to advance their economic development objectives. It has discussed the foundation upon which to begin pursuing these IP rights by focusing on small scale producers, which constitute a significant portion of economic activity on the continent. The main contribution of the thesis is that by developing clusters to improve the efficiency of small scale producers and strengthening producer associations, governments can lay the groundwork upon which to develop capacity to use trademarks and geographical indications. SMEs lack the capacity to access markets, advertise their products and develop the reputation of their products and services, yet they are embedded in the economic activities of African countries. Support to improve the quality of their products and engage in marketing and advertising ought to be pursued. Undoubtedly, there are various challenges to small scale producers which will not be solved by simply adopting distinguishing marks. However, utilising collective strategies for such enterprises may be one way in which African countries can advance their development objectives and implement the IP legislation that they have enacted. Small scale farmers of origin-linked products can also benefit from the collective reputation of their products and gain market access by using distinguishing marks. Considering that family labour constitutes a significant portion of farming activities, improving the sustainability of small scale farmers can translate to additional income for the families. Though processes for geographical indications can be complex as they straddle across different issues (agriculture, economic, legal), involve different stakeholders and processes (specification, rules of participation, quality control and certification, marketing), having producer associations willing to engage in the process can yield results. The flexibility around the legal means of protection for geographical indications also means African countries can tailor an approach that better suits their context and development objectives, even one that involves a combination of schemes.
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INFORMATION SHEET

Thesis Title: The role of Trademarks and Geographical Indications in advancing Economic Development in Developing Countries in Africa: An Investigation into Zimbabwe and South Africa

Introduction and purpose of the study

Hello, my name is Charlene Musiza and I am conducting research towards a doctoral degree. I am researching on trademarks and geographical indications as tools for economic development in developing countries in Africa. I am focusing on small scale enterprises; SMEs and small scale farmers in Zimbabwe and South Africa and would like to invite you to participate in the project.

I am interested in finding out how trademarks and geographical indications can help market and improve quality of products of small enterprises, which in turn can help increase income generation, improve job creation and retention and ensure equitable distribution of income. I would like to understand the policy and operational challenges to business sustainability and whether collaborative efforts can help improve market access.

I would like to interview small scale farmers who produce tea and coffee, hire or employ a minimum of 5 people, whose plots of land are less than 10 hectares and have a minimum of 5 years’ experience running their farms. I would also like to interview small business owners in the manufacturing sector who employ at least 6 people and have a minimum of 5 years experience in running their business.
Procedures for the study

I seek your permission to audio record the interview and I will also be taking notes. The purpose of audio recording is to capture the things that I may miss out while I take notes. I will ask questions and you can give as much detail in response as you feel is necessary. Should you not wish to be audio recorded you are free to say so.

I will be asking general questions about your experience running your business, human resource capacity and your marketing methods. The interview will take place at a location convenient to you and should take no more than one hour.

Participation

Please understand that participation is voluntary and the choice to participate is yours alone. If you choose not to participate, there will be no negative consequences to you. If you choose to participate, but wish to withdraw at any time, you will be free to do so without any negative consequence. Any question you wish not to respond to your decision will be respected.

Confidentiality

Though anonymity cannot be completely ensured your details will not be disclosed to third parties. Your personal information will be kept safe and any information you share will be treated as confidential and only accessible to me.

When I report on my research I will not mention you by name or any personally identifiable information unless you give me permission. All written data regarding the interview will be treated as confidential and all transcripts will be digitally stored on a password protected device accessible to me only.

Potential risks

There will be no risk of harm to you and no negative consequences as a result of your participation.

Benefits

I would be grateful if you would allow me to interview you but please note that there will be no direct benefit to you for your participation. There will be no payment to you for participating and no reimbursement of any costs. Should you however require any feedback on the research I am prepared to share with you after the research is concluded.
Contacts for questions and problems

Should you have any queries, questions or concerns about the research please feel free to contact me on:

Cell phone number +263772 277 586
Email: mszcha001@myuct.ac.za

You can also contact the Law Faculty Research Ethics Committee Administrator whose details appear at the bottom of this form.

Thank you

Charlene Musiza

If you have concerns about the research, its risks and benefits or about your rights as a research participant in this study, you may contact the Law Faculty Research Ethics Committee Administrator, Mrs Lamize Viljoen, at +2721 650 3080 or at lamize.viljoen@uct.ac.za. Alternatively, you may write to the Law Faculty Research Ethics Committee Administrator, Room 6.28 Kramer Law Building, Law Faculty, UCT, Private Bag, Rondebosch 7701.
CONSENT FORM

I have read and understood the information about the study and I have been given a copy of the Information Sheet.

I understand the procedures involved, the risks and the benefits of participating in the study.

I understand that my participation is voluntary and I can withdraw from the study at any time.

I understand that should I withdraw I do not have to give reasons and that there will be no consequences to me.

The interview will be audio recorded.

Do you agree to be audio recorded? Yes  No

________________________________________  ______________________
Name and signature of Participant  Date

________________________________________  ______________________
Name and signature of Researcher  Date
QUESTIONNAIRE

Introductory Questions

1. How long have you been running your farm?
2. Could you give brief details about the activities you do?

Farmers/SME

3. How do you view small scale farming in the country?
4. What farming methods or techniques do you use? (irrigation, crop rotation etc)
5. To what extent does farming contribute to your livelihood?
6. What is the division of labour?
7. How many employees do you have/ hire?
8. What are the average wages per hour/ week/month?
9. What is the size of your market/ who do you produce for?
10. Are you aware of any legislation regulating farming?
11. What do you think about the regulatory framework, is it supportive?

Intellectual Property

12. Do you know what trademarks and geographical indications are?
13. What methods have you used to market your products?
14. Have you ever put identifying marks on your products?
15. Do you think having some form of identification or distinguishing marks on your products will lead to increased sales or wider market reach?
16. Would getting together with other farmers and having some form of identification for your common products improve the market reach and quality of your product?
17. Do you share knowledge and methods of production with other farmers?
Enterprise Development

18. Have you sought or received any financial or technical support from government or non-government organisations?

19. Have you taken part in any cooperative/ collaborative activities with other farmers? (If yes what form does collaboration take?)

20. What interventions do you think you require from government?