Decision of the ADVERTISING REGULATORY BOARD

Complainant	Colgate-Palmolive Company and Colgate-Palmolive (Pty) Ltd
Advertiser	Bliss Brands (Pty) Ltd
Consumer/Competitor	Competitor
File reference	MAQ Soft - Stay-Soft
Outcome	Partially upheld
Date	30 August 2019

The Directorate of the Advertising Regulatory Board has been called upon to consider a complaint lodged by Colgate-Palmolive Company, jointly with Colgate-Palmolive (Pty) Ltd ("Colgate"), against advertising by Bliss Brands (Pty) Ltd ("Bliss Brands") of its fabric conditioner labelled as MAQ Soft.

Description of the advertising

The packaging in question is depicted in the table below, with the complainant's packaging for its Sta-Soft product on the left, and the advertiser's packaging for its MAQ product appearing on the right.

Colgate	Bliss Brands
	

Complaint

By way of background, the complainant discusses its own advertising. Colgate-Palmolive Company is the proprietor of the well-known Sta-Soft trade mark and has used and promoted its Sta-Soft fabric conditioner products in South Africa for over 50 years. Its packaging, get-up and/or trade dress has, according to the complainant, hardly changed during this time. The complainant submits that the most dominant feature of the Sta-Soft packaging has always been its distinctive shaped bottle (coloured to coincide with the relevant product fragrance) with a tear-drop shaped label containing the following combination or blueprint of elements:

- a depiction of the sky at the top of the label;
- a depiction of sun rays at the top of the label;
- a depiction of the scenery underneath the sky which varies depending on the product fragrance;
- a depiction of a baby's face at the top left side of the label;
- a depiction of a towel;

- the brand name Sta-Soft in white font outlined in blue;
- the word “soft” underneath “sta” written in a lowercase typeface where the letters f and t are joined by the same line running through the top halves of the f and t;
- the product fragrance name written under the main brand; and
- further depictions on the bottom right of the label of elements which vary depending on the particular product fragrance.

The complainant refers to the above as the “Sta-Soft label blueprint”.

The complainant goes on to explain that it enjoys approximately 58% of the fabric conditioner market and has acquired a considerable reputation and advertising goodwill in respect of the Sta-Soft label blueprint which renders the product packaging distinctive. It further submits that, as a result of extensive use, the Sta-Soft name, trade mark, get-up and packaging have become well-known in South Africa in respect of the fabric conditioner category, and that the Sta-Soft label blueprint is prominent in the mind of the consumer.

In support of this submission, it conducted a market research survey. The survey was conducted by Catalyst Research. The results of the first market survey reveal that 85% of the respondents correctly and spontaneously identified the naked Sta-Soft label and 88% the naked Sta-Soft packaging as being Sta-Soft fabric conditioner.

For the sake of clarity, the complainant submits that it does not claim exclusivity in respect of the colour of the bottle alone, or the shape of the bottle alone, but rather contends that the combination of certain elements on the packaging amounts to original intellectual thought and protectable advertising property.

The complainant provided examples of advertising/packaging for a number of fabric conditioner products and alleges that the advertiser’s and complainant’s packaging are the only two products which contain indisputable and immediately apparent similarities in the packaging architecture.

The complainant submits that, if one compares the packaging of the two products as a whole, the dominant and distinctive features of the Sta-Soft label blueprint have been imitated and/or exploited in the packaging for the MAQ fabric conditioner.

The complainant goes on to compare the old MAQ BOOST label and packaging of the advertiser’s product with the new packaging, the subject of the current complaint, and

submits that the new packaging intentionally adopts the distinctive features and recognisable concepts of the of the Sta-Soft label blueprint to ride off the reputation of, and take advantage of, the complainant's advertising goodwill in its Sta-Soft packaging and label.

The complainant refers to a second market survey, also conducted by Catalyst Research. The results reveal that 50% of respondents spontaneously identified the advertiser's MAQ packaging as Sta-Soft fabric conditioner, clearly demonstrating that a substantial number of consumers in the relevant sector of the market were confused by the unbranded packaging.

The complainant submits that the market surveys prove confusion amongst consumers, and there is therefore a likelihood of diminution of advertising goodwill.

The complainant also submits that the aforementioned combination of elements constitutes an existing concept, recognisable and central to the theme and which the advertiser has imitated.

Response

Eversheds responded on behalf of the advertiser. They commence their response by denying the allegations made by the complainant and they submit that at the core of the complaint is the use of the word SOFT by the advertiser.

The advertiser sets out certain background and history regarding the advertising and packaging of the MAQ fabric conditioner product. It points out that the advertiser has been advertising its rebranded product since May 2018 and wonders why the complainant did not take issue sooner. The advertiser also refers the Directorate to the fact that the trade marks belonging to Colgate-Palmolive Company are registered subject to a disclaimer of the word SOFT, and alleges that the complainant can therefore not claim any exclusivity in the word SOFT, especially if the word SOFT is used descriptively.

As far as the background to the MAQ brand is concerned, the advertiser mentions that its product has been in the marketplace since 2003 and the marketplace is therefore well-acquainted with MAQ branded products and can discern between MAQ products and other brands offering household cleaning, detergent and laundry products, such as the complainant's Sta-Soft branded products. Further brand evolution is set out in some

detail, pointing out specifically that a number of the elements that are the subject of the complaint have been a part of the MAQ branding for a number of years.

The advertiser disputes the complainant's submission that its increased market share is due to it looking more similar to the Sta-Soft product, but asserts, rather, that the increase in its sales is due to increased distribution efforts, more concerted focus on advertising execution in stores, and an increase in sales team and operations, a MAQ brand relaunch and, lastly, extensive television advertising.

The advertiser goes on to discuss the background to the fabric conditioner market in South Africa, stating that the complainant's Sta-Soft brand is the market leader in a field in which only 5 brands, namely Sta-Soft, Comfort, MAQ, Sunlight and Personal Touch make up 94% of the fabric conditioner market. This is according to Nielsen data, which also states that the 3 most popular fragrances in this category are lavender, blue floral and baby/gentle. These three fragrances make up approximately 70% of the category. The advertiser therefore submits that the complainant's depiction of the fabric conditioner market is distorted and misleading.

The advertiser reviews the Sta-Soft blueprint, and, in short, states that all the elements of the blueprint do not appear on all Sta-Soft variants, thus rendering the blueprint unprotectable as an advertising concept.

The advertiser disputes the reliability of the survey evidence submitted by the complainant, and goes as far as to state that such evidence has been "deliberately manipulated to provide a predetermined outcome." The grounds for disputing the survey evidence include the size and sample of both surveys being the same; the fact that the research appears to have been conducted online; the sample make-up being skewed towards top-end consumers; and the fact that the surveys do not indicate what percentage of interviewees were already predisposed to the category generic for fabric conditioner being Sta-Soft.

Finally, the advertiser calls upon the Directorate to dismiss the complaint, and in its closing paragraphs refers to a case decided in the High Court, based on passing-off.

Application of the Code of Advertising Practice

The following clauses were considered in this matter:

- Exploitation of advertising goodwill- Clause 8 of Section II
- Imitation- Clause 9 of Section II

Decision

The Directorate of the ARB has considered this matter and issues the following finding.

There are aspects of both the complaint and the response in this matter which are problematic. Far too much reference is made to trade mark law, matters of passing-off, as well as other issues decided on by South African courts. All of these fall within the broader field of Intellectual Property, and while not irrelevant, the Directorate would like to remind both parties that the purpose and mandate of the Advertising Regulatory Board is to decide matters related to advertising, in terms of the Code of Advertising Practice.

The Directorate will not consider Section 15 of the Trade Marks Act which relates to disclaimers, nor will it take into account High Court decisions based on passing-off.

Some mention was made of the age of the advertising and why the complainant had not complained sooner. The advertising is considered current in terms of Clause 3.3 of the Procedural Guide to the Code and also in terms of Clause 9.2 of Section II. There is no onus on a Complainant to bring a complaint within a particular timeframe, and this timeframe would only be relevant if the Complainant had requested unusual urgency, which it did not. The Directorate will therefore not discuss the issue of the timing of the complaint further.

We now turn to the merits of the matter.

Clause 8 of Section II - Exploitation of advertising goodwill

Clause 8 of Section II states:

8.1 Advertisements may not take advantage of the advertising goodwill relating to the trade name or symbol of the product or service of another, or advertising goodwill relating to another party's advertising campaign or advertising property, unless the prior written permission of the proprietor of the advertising goodwill has been

obtained. Such permission shall not be considered to be a waiver of the provisions of other clauses of the Code.

8.2 Parodies, the intention of which is primarily to amuse and which are not likely to affect adversely the advertising goodwill of another advertiser to a material extent, will not be regarded as falling within the prohibition of paragraph 8.1 above.

In considering matters raised under this clause consideration will be given to, inter alia, the likelihood of confusion, deception and the diminution of advertising goodwill. Furthermore, whether the device or concept constitutes the "signature" of the product or service, is consistently used, expended throughout media and is prominent in the mind of the consumer.

The first key question in considering this matter is whether "advertising goodwill" exists in the Sta-Soft packaging. Consideration must be given to the likelihood of confusion, deception and the diminution of advertising goodwill. Furthermore, whether the device or concept constitutes the "signature" of the product, is consistently used, expended throughout media and is prominent in the mind of consumers.

There can be no doubt that the packaging of the Sta-Soft fabric conditioner product is well-known and familiar to a large number of South African consumers and that the brand itself is an iconic South African brand, and a household name. In so far as the survey shows that there is widespread consumer awareness of the Sta-Soft brand, it supports this perception. The Directorate is convinced that Sta-Soft is a well-known brand, and the packaging, even without the trade mark, is recognisable to a large number of South African consumers, and the survey certainly supports this assertion.

The second question is whether the Advertiser's packaging exploits this goodwill. To find such exploitation, the Directorate must be convinced that the consumer is likely to be deceived or confused into believing that either the product is the same product, or bares some relation to the Sta-Soft product. The classic question is whether a hurried consumer would grab the wrong product off the shelf; but the query goes further as to whether the consumer would think that the two products have some relationship to each other.

The Complainant has proffered survey results in support of their contention that there is a likelihood of confusion or diminution of goodwill. The Directorate has two concerns with the survey in this respect.

The first concern is that the respondents to the first survey were only shown the complainant's own product, and recognised it as Sta-Soft fabric conditioner. Similarly, in the second survey, respondents were only shown the advertiser's products, and many thought it was the Sta-Soft product. The Directorate is interested to know what the results of the survey would have been had the respondents been shown the respective products side-by-side, and asked to discern which product is which. This is relevant to the issue of actual confusion or deception as it would be relevant to the market place.

The second concern – and the more pressing of the two – is that the survey was done with "naked" labels – in other words, the brand name of the product was removed. The reality is that the product as it appears on shelf has a brand name on it, and it is a branded label to which the consumer is exposed. The brand names in question are not incidental to the look and feel of the label. Both products have large, distinctive branding. While it is true that both are in a slanted font, and white with an outline, they are very different words – both conceptually, visually and aurally. The word "STA" bears no similarities to the word "MAQ" either conceptually, visually or in how it sounds. In this regard, it is also relevant to note that fabric conditioner is a luxury product and as such the target market can be assumed to have at least a basic level of literacy.

It is not impossible for a matter of this nature to come before the Directorate where the similarities in the packaging are so patently obvious that the Directorate can make an assumption of confusion without any proof thereof. This is not such a matter. The very different brand names outweigh any other similarities, and in the absence of proof the Directorate cannot assume likely confusion. The surveys that have been put before the Directorate do not, for the reasons listed above, prove that there is likelihood of such confusion when the products are seen on-shelf in the actual market place.

As likelihood of confusion or deception are cornerstones of a successful complaint in terms of Clause 8 of Section II of the Code, and neither likely confusion or actual confusion have been shown, the Directorate cannot uphold a complaint based on this clause.

Clause 9 of Section II - Imitation

Turning then to Clause 9 of Section II, which deals with imitation, the Code states that an advertiser should not copy an advertisement, or part thereof, in a manner that is recognisable or clearly evokes the existing concept and which may result in the likely loss

of potential advertising value. This will apply notwithstanding the fact that there is no likelihood of confusion or deception or that the existing concept has not been generally exposed. The Code states consideration will be given to, *inter alia,* the extent of exposure, period of usage and advertising spend, whether the concept is central to the theme, distinctive or crafted as opposed to in common use, Furthermore, the competitive sphere will also be taken into account.

In essence, it is the complainant's submission that the fact that the Sta-Soft advertising or packaging has barely changed over 50 years, together with its substantial market share, means that its packaging is "an existing concept", capable of protection in terms of Clause 9 of Section II.

The advertiser disputes that the so-called Sta-Soft label blueprint is capable of protection. They mention that the complainant's website shows 12 different variants of Sta-Soft, all of which were not relied upon in the complaint. It is important that 7 of these are for fabric conditioners, and the other 5 are for concentrated versions of the product. Of the 7 Sta-Soft fabric conditioner products, while all of them do not contain each and every aspect of the so-called blueprint, the Directorate is of the view that all of them enjoy the same overall look and feel and that an advertising concepts exists which is capable of protection in terms of Clause 9 of Section II.

The concept appears to be unique to the complainant, crafted by the complainant some 50 years ago, and consists of a number of elements that together make up an advertising concept. The requirements of a large amount of exposure and period of usage and by inference a substantial advertising spend, are met. The advertising concept is one that is central to the theme, crafted by the complainant many years ago, and not in common use.

The Code also directs that the competitive sphere be taken into account. The advertiser uses elements and concepts that are similar to the complainant's on *the exact same product.* This is not a matter of comparing fabric conditioner to a related product, but rather a comparison of two identical products. In addition, the Complainant's product is the well-established market leader. It would be disingenuous to expect the Directorate to accept that the Advertiser arrived at its current packaging design ignorant of the design of Sta-Soft. The decision to adopt a packaging design that moved the product closer to the look and feel of Sta-Soft, rather than seeking to distinguish the products, is always *prima facie* indicative of some level of imitation.

However, the Directorate is also aware that when one compares the packaging of the MAQ product used from 2012 to 2018 with the packaging under consideration, one sees that the bulk of the similarities on which the Complainant relies have in fact been in place since 2012. The Advertiser has not suddenly undergone a radical transformation that resulted in a complete change of look and feel. The Directorate illustrates this below:

It is in making this comparison that the Directorate understands why the Advertiser alleges that this complaint boils down to the issue of the word “soft”, and concurs. It is only the use of the word “soft” and the visual of towels that move the packaging materially closer to that of Sta-Soft. The other elements were all already present in the MAQ Boost packaging. The use of the towels is hardly similar, and is inherently connected to the use of the product. It is therefore down to a question of whether the use of the word “soft” alone amounts to imitation.

On one hand, the word “soft” is an ordinary word used in its ordinary meaning. In addition, it is highly relevant to the product – which is commonly referred to as fabric softener by consumers, and which makes washing soft. The use of the word soft in isolation cannot amount to imitation, and nothing in this decision should be read to say that it does.

But the word is not used in isolation:

- It is used on packaging that already has a number of similar elements;
- It is used at an angle, in a “bubble” font, in the same position as that adapted by Sta-Soft;
- Both versions employ the device of using the arm of the “f” to cross the “t”;
- It deviates from the rest of the MAQ range which uses a capital letter, dark blue branding for the product descriptor that appears below the word “MAQ”;
- It is usually blue, which is a colour associated with Sta-Soft branding.

The biggest issue, however, is that there appears to be no reason given for the change from “Boost” to “Soft” – two very different words. The Advertiser has changed its packaging by the addition of the word “soft” in a manner that makes it very similar to the Complainant’s. There is no explanation for this change, and the change is both out of line with the labelling of other products in the category and with its own in-house style. The only conclusion that the Directorate can reach, in the absence of proof to the contrary, is that the move was made in imitation of the market leader’s packaging.

The Directorate concludes that the advertiser has indeed imitated the complainant’s advertising concept.

The complainant briefly mentions that, after its rebrand, the advertiser’s market share went from 4% to 9%. The Directorate agrees with the Advertiser that there could be many reasons, including an increase in ad-spend and marketing, to account for this increase. It is not in this increase that the potential loss of advertising value lies. The potential loss lies in the fact that the word “soft”, in the bubble font, at an angle, used for a fabric conditioner, would previously only have evoked the Sta-Soft product. This (rather than likelihood of confusion) is evidenced by the survey results. The use of the word in the manner that the Advertiser has done it potentially diminishes this value.

The Directorate is satisfied that the complainant's packaging is protectable as an existing advertising concept which has been imitated by the advertiser on the packaging for its MAQ branded fabric conditioners.

The Directorate therefore concludes that the advertising is in breach of Clause 9 of Section II of the Code.

Sanction

The Advertiser is ordered to withdraw the advertising, in accordance with the provisions of Clause 14 and Clause 15.3 of the Procedural Guide. Specifically, the Advertiser would usually be required to have amended the packaging in line with this ruling within 3 months of receipt of this ruling. However, the Advertiser requested and received an extension on their response time, and in terms of Clause 8.2.2.5 of the Procedural Guide, the period for amendment of the packaging is therefore reduced by six days.