

SOUTH AFRICA / JUDGMENT

Fuel Trailers (Pty) Ltd t/a Trailers and Tankers v St Logistics (Pty) Ltd t/a Jikelele Tankers and Trailers (D9292/2021) [2023] ZAKZDHC 40 (14 June 2023)

[2023] ZAKZDHC 40

COURT

Kwazulu-Natal High Court, Durban

BEFORE

Sipunzi

CASE / FILE NUMBER

D9292/2021

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Policy

FLYNOTES:

INTELLECTUAL

– Passing off – Unlawful competition – Respondent representing to public that it operated as part of applicant – Whether applicant is entitled to prevent respondent from using trade words "Trailers & Tankers" – Respondent knew logo was used for applicant's business – Designed logo with blessings of applicant – Respondent worked for applicant – Became competitors – To use the same logo for its own business is prejudicial to applicant – Tantamount to unlawful competition – Applicant established that orange trailer design logo was already associated with applicant's business – Respondent is interdicted and restrained.
IN

THE HIGH COURT OF SOUTH AFRICA
KWAZULU-NATAL
LOCAL DIVISION, DURBAN
CASE
NO: D9292/2021
REPORTABLE
In

the matter between:

FUEL
TRAILERS (PTY) LTD t/a TRAILERS & TANKERS
APPLICANT
and
ST
LOGISTICS
(PTY) LTD t/a JIKELELE TANKERS &
TRAILERS
RESPONDENT
ORDER
The

following order is granted:

1.
The respondent is interdicted and restrained from passing-off or representing to the public at large that it operates as part of the applicant or as being connected in the course of trade with the applicant, by using in regard thereto the offending get-up, or any get-up which is confusingly or deceptively similar to the applicant's distinctive get-up.
2.
The respondent is to desist from using the applicant's logo, including, but not limited to the picture of the orange tanker trailer, or words, "Trailer & Tankers" in the same style and on the same distinctive logo or get-up as the applicant or which is confusingly or deceptively similar to the applicant's logo or get-up.
3.
The respondent is to immediately remove from public display all signage containing the applicant's distinctive get-up logo which is confusing or deceptively similar to that of the applicant at its premises situated at 1[...] U[...] Road, Springfield and anywhere else that such may be displayed.
- 4.

That the respondent immediately desists from representing that any products henceforth sold by the respondent were manufactured by, sourced from, carry any warrantee, by the applicant;

5.

The respondent be ordered to immediately restore possession

to the applicant of:

5.1

a 1 000 litre polyurethane tank;

5.2

signage displayed at 1[...] U[...] Road, Springfield, bearing the applicant's logo and wording; and

5.3

a telescopic signboard on a trailer.

6.

That in the event of the respondent not restoring possession of the above- mentioned assets within 24 hours of the service of this order, that the sheriff of this Court or his deputy is hereby authorized to uplift the assets from the respondent and restore possession thereof to the applicant.

7.

The respondent is directed to pay the costs of this application, including the costs that were reserved on 2 November 2021. Such costs to include the costs of counsel.

This

judgment was handed down electronically by circulation to the parties' representatives via email and released to SAFLII.

The date

and time

for hand-down is deemed to

be 14 June 2023 at 10h00.

JUDGMENT

Delivered: 14 June 2023

SIPUNZI AJ

Introduction

[1] This is an urgent application in which the applicant seeks an interdict restraining the respondent from passing-off and from representing to the public that it operated as part of the applicant. The applicant alleges that the respondent is involved in unlawful competition by passing-off. The matter served before this court on 2 November 2021. However, the application did not proceed on the said day. Instead, the parties agreed on a timetable that regulated further filing of papers, the hearing was postponed sine die, and the costs occasioned by the adjournment were reserved for later determination.

[2] In the notice of motion, the applicant sought an order in the following terms:

'(i) that the respondent is interdicted and restrained from passing-off or representing to the public at large that it operates as part of the applicant or as being connected in the course of trade with the applicant, by using in regard thereto the offending get-up, or any get-up which is confusingly or deceptively similar to the applicant's distinctive get-up;

(ii) that the respondent is to desist from using the applicant's logo, as per annexure "A" hereto, including the picture of the orange tanker trailer, with the words, "Trailer & Tankers" or any variation thereof and the words "Custom Built Trailers & Tankers" or any variation thereof;

(iii) that the respondent is to immediately remove from public display all signage containing the applicant's distinctive get-up, or any get-up which is confusing or deceptively similar to the applicant's get-up at its premises situated at 1[...] U[...] Road, Springfield and anywhere else that such may be displayed;

(iv) that the respondent immediately desist from representing that any products henceforth sold by the respondent were manufactured by, sourced from, carry any warrantee, by the applicant;

(v) that the respondent be ordered to immediately restore possession to the applicant of:

(aa) a 1000 litre polyurethane tank;

(bb) a 1000 litre mild diesel tanker trailer; (notably omitted in the "draft order prayed" that was handed in during oral arguments);

(cc) signage displayed at 1[...] U[...] Road, Springfield, bearing the applicant's logo and wording;

(dd) a telescopic signboard on a trailer; and

(ee) 2 hand-held telephone devices (landline system).

(vi) that in the event of the respondent not restoring possession of the above-mentioned assets within 24 hours of the granting (replaced with 'service' during the arguments) of this Order, then the Sheriff of this Court is hereby authorized to uplift the assets from the respondent and to restore possession thereof to the applicant;

(vii) that the respondent be directed to pay the costs of this application on the scale as between Attorney and Client.'

[3] At the time of oral arguments, and on behalf of the applicant a "draft order prayed" was handed in. It was identical to the prayers that were sought in the initial notice of motion. Notably, paragraph (ii) of the notice of motion was varied or amended. The amended paragraph reads:

The Respondent is to desist from using the applicant's logo, including, but not limited to, the picture of the orange tanker trailer, or words, "Trailer & Tankers" or any variation thereof and the words, "Custom Built Trailers & Tankers" or any variation thereof in conjunction with the applicant's distinctive logo or get-up or any logo or get up which is confusingly or deceptively similar to the applicant's logo or get-up;'

The parties

[4] The applicant is Fuel Trailers (Pty) Ltd t/a Trailers & Tankers, a company with limited liability incorporated in terms of the laws of the Republic of South Africa, with its principal place of business at 5[...] B[...] Road, Industria North, Randburg, Gauteng. It has been in business since 2007 as a manufacturer and supplier of an assortment of specialized trailers and tankers for water and fuel. It sold its products through distributors and agents in most Provinces in South Africa.

[5] The respondent is St Logistics (Pty) Ltd t/a Jikelele Tankers & Trailers, a company with its principal place of business at 1[...] U[...] Road, Durban, Kwa-Zulu Natal. It commenced business in 2017, as per the company registration number 2[...].

Background

[6] The parties' relationship started after their first meeting in September

2017. They developed a business relationship when the respondent's members were interested in selling the applicant's products in Kwa-Zulu Natal. As they engaged in their business activities, they first concluded a 'Non-Disclosure Agreement' in July 2018. The material terms of this agreement included that the respondent would sell the applicant's products only in Kwa-Zulu Natal. The respondent was permitted to mark-up the products sold to its benefit. As a result of this relationship, the respondent would be exposed to confidential information of the applicant and undertook to hold same in strict confidence.

- [7] As their business relationship grew stronger, on 23 March 2019, the parties concluded the 'Inventory Consignment' and 'Restraint of Trade' agreements. These agreements recognised that the respondent had become exposed to the applicant's customers; finances, budgets, business strategies, potential budgets; trade secrets and other confidential information about the business. Among others, the respondent undertook that for 12 months after the termination of their agreement; it would not carry out business or entice any customers or suppliers of the applicant or supply or make available to any person any material, service or information forming part of the applicant's business.
- [8] On 23 March 2020, the parties entered into a Distribution Agreement. In that agreement, the respondent further undertook to be an exclusive distributor of the applicant; to protect its business interest; and that upon termination of the agreement, it would cease to utilize any of the applicant's trademarks and logos in any way.
- [9] The applicant alleges that the respondent conducted itself in a manner that was in breach of their agreements, which amounts to unfair competition and passing-off. It is also common cause that the agreements which regulated their relationship had since terminated.
- [10] It is common course that during the subsistence of their business association or relationship, the respondent varied or amended the applicant's logo design by replacing the lion's head with a design of an orange trailer. The parties agree that the orange trailer design was developed and created in discussions; with the consent and co-operation of the applicant. It is also common cause that the new varied logo was then used on all applicant's descriptive markings, including its online advertisements and displays. It became the identifying mark used by all agents and distributors of the applicant, including the respondent.
- [11] The respondent however denied that the applicant acquired exclusive ownership of this orange trailer design. The respondent contended that it became the owner of this design because it was originally sponsored; created by one of its directors/members, and therefore entitled to use same in its business that was not associated with the applicant. Hence it claimed to have a better title to the use of the design of the orange trailer that formed part of the applicant's logo.
- [12] The respondent disputed that it was the applicant that exposed it to the Kwa- Zulu Natal client base and contended that it already had its client base when it met the applicant. According to the respondent, there was no evidence of competition between it and the applicant. Its products are sourced from another manufacturer.

[13] On the use of the get-up that is similar to the applicant's; the orange colour; the design of a trailer, and the words "Trailers & Tankers", the parties agree on the similarities between the logo of the applicant and that of the respondent. However, the respondent argued that the words 'Trailers & Tankers' are generic descriptive terms that were not designed to deceive or confuse the public or the customers. It further argued that their logo is distinguished from that of the applicant by the word 'Jikelele'.

The

issues

[14] This court is enjoined to determine the following disputed issues:

41.1 whether the applicant is entitled to prevent the respondent from using the trade words "Trailers & Tankers"; the design of a tanker trailer or any variations thereof, as part of its logo; or the colour and the get-up that the applicant had used as its logo or products; displays and the internet advertisement website page.

14.2 whether the use and display of the logo and upkeep was exclusive to the applicant or whether after the termination of their agreements, the respondent was entitled to use the same logo, the font, the get-up, which included, the orange trailer picture that replaced the lion's head when the respondent varied (as discussed and with the cooperation of the applicant) the original logo; and

14.3 whether the respondent was entitled to retain the products that were manufactured or whether that remained the property of the applicant after their agreements expired. The same question applied to items displayed or used at the respondent's premises when they were no longer in business either as the distributors or the agents for the products manufactured and sold as part of the applicant's business.

Discussion/Analysis

Ownership of the logo or part of the logo and get up get-up

[15] It is a fact that the applicant does not possess a registered trademark on the use of the words; the logo; the colour and the get-up and the design the applicant claimed amounted to a passing-off when part of it was used and displayed by the respondent, after the expiry of their agreements. The applicant relies on the common law doctrine of passing-off or put differently, unfair competition.[1]

[16] In *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others*[2]; the court gave an admirable and authoritative definition of passing-off in the following terms:

'The wrong known as passing off consists in a representation by one person that his business (or merchandise, as the case may be) is that of another, or that it is associated with that of another, and, in order to determine whether a representation amounts to a passing-off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of another'.

[17] It is not in dispute that the respondent or its members had amended or varied the applicant's logo during the subsistence of their business relationship. The parties agree that the members or directors of the respondent proposed the variation of the applicant's

logo. It was then varied or amended with the approval and consent of the applicant. The new logo had an orange trailer design that

replaced a lion's head. It was used across the country on all the applicant's products; advertisements and displays, replaced that which had a lion's head. This included the premises where the respondent was the agent or distributor of the applicant's products.

[18] There is no evidence to suggest that the question of ownership of the new logo or the new addition to it, being the orange tanker trailer, was ever discussed in all communication and interaction during the development of the new logo. This was also the case when it was sent out to other branches of the applicant for display and use. The ownership of the orange trailer design, only arose when the applicant and the respondent were no longer in a good or sound business relationship.

[19] The respondent claims to be the owner of part of the new logo of the applicant and therefore entitled to use same in its new business, which is not associated with the applicant. This is based on the contention that when the respondent or its director proposed the variation of the applicant's logo, its director inserted its design, which was an orange trailer, instead of the lion's head, which was removed. For this reason, the respondent contends that it did not relinquish the ownership of that trailer design to the applicant. Hence, the claim of entitlement to its use.

[20] The respondent also argued that the ownership of the trailer design amounts to a material dispute of fact that required determination herein.

[21] On the other hand, the applicant avers that it is not a material dispute of fact. It further argues that the ownership of the part of the logo is not so significant to its claim and, therefore should not be engaged herewith. It further argued that, if such is found to be of any significance, it could be resolved by applying the Plascon-Evans rule. [3] The main question that the above brings about is whether there is in fact a material dispute of fact. If the answer to that is in the affirmative, in that case, the next question is whether the application of the Plascon-Evans rule suffices to resolve that dispute. The respondent seems to assert the contrary.

- [22] Indeed, it seems that the parties are not ad idem that the issue of the ownership of the trailer design on the applicant's logo was discussed or clarified when they were still in good business relations and during the subsistence of their agreements. The question that arises for determination is the ownership of the trailer design on the logo or the association of the logo that was adopted after the trailer design replaced the lion's head design. In simple terms, whether the ownership of any part of the logo or the logo in its entirety turns on anything in determining if the respondent was entitled to use the trailer design for the new business that was not associated with the applicant.
- [24] To qualify for the protection of a mark or logo or get-up, the court in *Adidas AG and Another v Pepkor Retail Ltd*,^[4] gave clear guidelines on what the applicant is required to establish. Firstly, the applicant would have to allege and prove that the mark in question has become distinctive, 'that is, that in the eyes of the public, it has acquired a significance or meaning as a symbol of a particular origin of the goods in respect of which that feature is used', i.e., that the applicant has acquired a reputation.

Secondly, the applicant would have to allege and prove that the use of the mark was likely, or calculated, to deceive and thus cause confusion amongst consumers, having the result of injury, actual or probable, to the goodwill of the applicant's business- for example, by causing a loss in the profit that the business might have made, had the respondent not used its mark and enticed consumers to its business, who thought they were dealing with the applicant's business.

- [25] From the requirements set out here above, it is clear that the applicant is not required to establish the ownership of the mark or any part thereof to claim protection from the alleged passing-off. In short, all that is explicitly required of the applicant, is to show the association of the mark or part of it or logo with its business and the probability of its use is likely, or calculated, to deceive and thus cause confusion amongst consumers, having the result of injury, actual or probable, to the goodwill of the applicant's business.
- [26] It is established that use of the new logo that had the orange trailer design was not confined in Kwa-Zulu Natal, where the respondent was the distributor. Such limited use would have been a suggestion that the respondent was the owner or had a better title to the new logo than the applicant or its other distributors and agents. On the contrary, it was equally used on all the applicant's displays; advertisements and all its distributors or agents across the country from the time the applicant had approved it. So, it became a mark or logo by which the applicant and its products were identified or distinguished from the rest. In fact, it meant that the applicant had changed its lion head bearing logo for one with the design of the orange trailer and as designed by the directors/members of the respondent. So in other words, the new logo became the new identifying mark or logo of the applicant, in all its get-up, displays and google search page, and this was regardless of who owned a particular part of it.

[27] Therefore, one is not convinced that the dispute about the ownership of the design is central to the matters that require determination in the main and therefore is not a material dispute of fact. It will therefore, not be necessary to apply the Plascon- Evans rule in this matter.

The similarities

[28] On this point, the elements of passing-off in *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others*, as referred to above become useful:[5]

'The wrong known as passing-off consists in a representation by one person that his business (or merchandise, as the case maybe) is that of another, or that it is associated with that of another. In order to determine whether a representation amounts to a passing-off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of another.'

[29] As these elements are applied to the facts at hand, it must also be borne in mind that it is not necessary for the applicant to prove actual prejudice, proof of the probability of such harm would suffice.[6]

[30] It was argued on behalf of the respondent that:[7]

'Use of the generic descriptive terms such as "tankers and trailers", describe the true nature of the Respondent's business and are not designed to confuse the public and no customers were diverted to it. The respondent relied on *Burnkloof Caterers (Pty) Ltd v Horseshoe Caterers (Green Point) (Pty) Ltd* 1976 (2) SA 930 (A) p 938.'

[31] In *Burnkloof Caterers (Pty) Ltd v Horseshoe Caterers (Green Point) (Pty) Ltd*, [8] it was held that, 'a trader who uses a descriptive word in designating his business must ordinarily submit to the risk of some confusion arising among the public if another trader uses the same word in relation to his business'. It further held that, 'the appellant has to prove not only the element of confusion, but that it was due to the get-up and positioning of respondent's name-board and not merely to the word "Bar-8-Que"'. [9]

[32] Indeed, as averred by the respondent, to which the applicant appears to concede, the words "Trailers & Tankers", when looked at in isolation, are generic descriptive terms of the trade of the businesses of both parties as they are involved in the trade of trailers and tankers. However, in this instance, there are various factors that must also be taken into account in order to conclude if they are offensive to the applicant's logo. Such factors being:

- (a) the font in which they appear in the respondent's logo;
- (b) the format and positioning of the logo when compared to the applicant's;
- (c) their colour compared to that used by the applicant;
- (d) colour of the background in which they are printed;

- (e) the other elements that make up the logos of the parties, including the design of the orange trailer as in the applicant's logo;
 - (f) shape and the style; and
 - (g) the premises where the whole logo of the respondent is displayed.
- [33] Furthermore, if regard is had to the agreements that were concluded between the applicant and the respondent, namely, the 'Inventory Consignment'; Restraint of Trade' and 'Exclusive Distribution', the respondent's reliance on Burnkloof Caterers cannot be sustained. In casu, the respondent knew that the logo was used for the applicant's business. The respondent designed the logo with the blessings of the applicant. The respondent worked for the applicant. To use the same logo for its own business is surely prejudicial to the applicant. It is tantamount to unlawful competition.
- [34] Therefore, when the aforementioned factors are given regard in determining whether the respondent would be justified also to use the words, 'Trailers & Tankers' and in the manner described, it is found that in addition to the factors that gave rise to the complaint in Burnkloof Caterers, the applicant herein has also established that this particular similarity cannot be found to be as innocent as the respondent claims. Wherefore, I hold a firm view that, the following factors distinguished the applicant's case from Burnk/oof Caterers. Such factors, for instance, include that the respondent was a distributor of the applicant, and had acquired intimate knowledge of the applicant's business including its trade secrets; finances and customers.
- [35] Furthermore, as it was pointed out in *New Media Publishing (Pty) Ltd v Eating Out Web Services CC*,^[10] regard must also be given to the products the opposing parties are selling. In this instance, after the agreements between the parties had lapsed, the respondent carried on its business at the same business premises as when it was conducting business with the applicant (not that the respondent should be prohibited from using the same premises, but this should be seen as one of the relevant factors under consideration). The respondent sold the same products as it did when it was distributing the applicant's products of the applicant; the only difference is that it began to source its products from other manufactures/suppliers. It then became a direct competitor of the applicant.
- [36] With all characteristics and factors, the respondent wanted to create an impression that using the words "Trailers & Tankers" was an innocent coincidence to describe the products of its trade. Without any plausible explanation as to why the respondent chose the same characteristics as the applicant's on the use of the alleged 'generic descriptive words', which are a glaring replica to the applicant's (except for the word 'Jikelele'), the respondent's argument cannot be sustained. To my mind, the respondent's argument that it is was entitled to use them, in the manner described above and that there was no intention to confuse customers, for they are 'generic descriptive words' misses the point.

[37] The reliance on Burnkloof Caterers on this aspect does not support the respondent's claim. The respondent's usage of these words was deceptive and misleading to the public. It failed to explain the motive of using the same get-up; colour; background; font; shape; style and even at the same premises where it operated under the auspice of the applicant's business. If at all, the rest of the factors enumerated above go to show that the applicant has established that not only the words could create a confusion, but also that a customer may well be deceived to think that the respondent was or may have still been associated with the applicant.

The distinguishing word

[38] With all the similarities that characterised the logos of the parties, the respondent's logo also bears the word 'Jikelele'. On behalf of the respondent, it was argued that, it was in the main, the use of the word 'Jikelele' that distinguished the parties' logos and get-up and therefore negated any probabilities of the similarities causing confusion to customers or harm to the applicant's business or deception that the respondent's business was associated to that of the applicant. Like it is the case with the use of the words "Trailers & Tankers", the word, 'Jikelele' is in the same, get-up and font and design as the applicant's logo.

[39] The question that arises is whether the elements of the alleged unlawful competition and passing-off are eliminated by the inclusion of the word 'Jikelele' to the respondent's logo. To address this, *Beiersdorf AG v Koni Multinational Brands (Pty) Ltd*[11] finds application. This is where the court held that:

'[25] In relation to the differing names "NIVEA" and "CONNIE", which the respondent places emphasis on, it has been held that the use of different names in otherwise similar get-ups does not necessarily exclude the probability of deception.

[26] In *Adidas Sportschuhfabriken Adi Dass/er KG v Harry Walt & Coco (Pty) Ltd*, where two sport-shoe brands were at issue, it was found, per Botha J, that notwithstanding the difference in name and the undeniable strength of one of the brands, there was still confusion. The learned judge held:

"In my opinion, taking into account all the circumstances referred to above, the use of the different names in this case is insufficient to negative the deceptive effect on the buying public of the conspicuous similarities in the appearance of the respective goods of the plaintiff and the defendant." (Footnotes omitted.)

[40] It is undisputed that the applicant started its business in 2007. Its brand had been in the market for approximately for ten years when the respondent became associated with it. It is also common cause that the applicant had a footprint across the country, with various agents and distributors, and perhaps, hence the respondent's directors also 'liked the Applicant's products and wished to sell the Applicant's products in Kwa-Zulu Natal'. [12] Through the 'Consignment Agreement', the respondent was serving as an agent of the applicant, and as such had access to the applicant's customers' names; its financial affairs;

acquired applicant's trade secrets; business connections and acquired the premises at which the applicant's products were displayed, and, obviously its logo. This continued until the respondent and the applicant had a fallout sometime in 2021.

[41] Although the respondent was registered in 2017, it only started its operations as an independent entity after the fallout with the applicant, hence it began to develop its logo that bore all the similarities to that of the applicant. The respondent then commenced its operations at the same premises as it was at when it acted under the 'Non-Disclosure; 'Restraint of Trade'; 'Inventory Consignment' and 'Exclusive Distribution' agreements with the applicant. The content and purpose of the agreements concluded between the parties appear to be those classified as the "Restrictive Vertical Practices" and perhaps, for obvious reasons that it was untenable that the parties would become competitors on the same premises.

[42] The principles set out in *Beiersdorf AG v Koni Multinational Brands (Pty) Ltd*, [13] are apposite and decisive. Firstly, the only difference between the logos of the parties is that the respondent's logo also bears the word 'Jikelele'. Secondly, that this word is on same background and colouring as that of the applicant. Thirdly, the display of the logo is at the same premises where the applicant was operating through the respondent as its distributor or agent.

Fourthly, the word 'Jikelele' is on the same graphic presentation as that of the applicant. Fifthly, the respondent's logo bears the same characters as that of the applicant. Sixthly, that the respondent is selling the same products as the applicant and the only difference is that it sourced its products from another supplier.

[43] It must however also be borne in mind that, 'a certain measure of copying is permissible', but the copying party must "make it perfectly clear to the consumer that the articles which it is selling are not the other manufacture's, but its own articles, so that there is no probability of any ordinary purchaser being deceived". [14] In this instance, there has been no attempt, at least to give that indication to ordinary customers that the respondent was no longer associated with the applicant, instead, the respondent claimed that it was still entitled to display a similar logo because it had sponsored them and not with the assistance of the applicant.

[44] With all the factors taken together, the emphasis on the word 'Jikelele' as what sets the logos apart, when it is on the same premises as where the respondent acted as the distributor of the applicant does not necessarily exclude the probability of deception. In short, the addition of the word, 'Jikelele' to the same words, get-up; colouring and font used by the applicant cannot be successfully regarded to be what sets the respondent apart from the applicant, particularly to an average consumer.

Is the applicant required to provide evidence that the similarities caused confusion to customers?

- [45] The respondent further contended that the applicant had presented no evidence to establish that the similarities alleged had caused any confusion.
- [46] One of the requirements for an applicant to establish in an alleged passing-off as outlined in *Adidas AG v and Another v Pepkor Retail Ltd*[15] is that the applicant would have to allege and prove that the use of the mark was likely, or calculated, to deceive and thus causes confusion amongst consumers, having the result of injury, actual or probable, to the goodwill of the applicant's business. That would be causing of a loss in the profit that the business might have made, had the respondent not used its mark and entices consumers to its business, who thought they were dealing with the applicant's business.
- [47] Further, this draws attention to some of the elements passing-off which include, 'whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that of other'.[16]
- [48] The principle in *Adidas AG* case is merely highlighted to show that there is no requirement on the applicant to provide evidence of actual confusion or deception that would have been occasioned by the similarities that form part of the alleged passing-off. Therefore, the fact that the applicant did not provide hard evidence of confusion or deception that was resultant to the alleged passing-off should not be a consideration. It suffices for the applicant, to establish a reasonable likelihood that members of the public may be confused as pointed out. All that is required of an applicant is to show that the use of the mark was likely or calculated, to deceive and thus cause confusion amongst consumers, having the result of injury, actual or probable. Hence showing of the probability and likelihood of harm suffice.
- [49] So, if there are these similarities between their logos or, or colours; get-up and even the words that form part of that logos, and in the mind of an ordinary customer (as it is described in *Kam*), can it be said that these similarities will not induce confusion that the respondent has any association or still associated with the applicant? This question must be answered bearing in mind that the identity of the owner or designer of the logo is not decisive. Instead, the question is whether the logo in question was always associated with any of the parties.
- [50] It is therefore sufficient that the applicant has established that the probability and reasonable likelihood existed that the similarities are such that they could induce confusion to an average customer to believe or think that the respondent's business was still associated with that of the applicant's. Legal principles applicable to the enquiry on this matter place no responsibility on the applicant to produce any evidence of a confusion that would have been occasioned by the alleged similarities. Lack of evidence of confusion that would have occurred does not negate the applicant's claim in this instance.

Alleged continued possession of applicant's property and signage

- [51] It is common cause that the business association between the applicant and the respondent had terminated. During the subsistence of their agreements, particularly the 'Exclusive Distribution Agreement' of March 2020, the respondent undertook to protect the applicant's business products; name; goodwill; and reputation. It was also agreed that upon termination of the agreement, the respondent would cease to utilize any of the applicant's trademarks and logo in any way, and return same to the applicant.
- [52] On the other hand, the respondent contended that after an agreement to allow it to take a 25 percent mark-up from the applicant's products that it distributed, the applicant acted contrary to their agreement and engaged in activities that made itself a competitor of the respondent. It alleged that the applicant began to interact directly with customers in Kwa-Zulu Natal, which was that it was undercutting the respondent, depriving it from earning the 25 percent mark-up that was agreed upon. According to the respondent, the applicant was refusing to conduct itself in line with their agreement that the respondent would be an exclusive distributor of its products in the Province, effectively putting the respondent out of business. The respondent disputed the allegation that it conducted its business in a manner that was contrary to their agreements, instead it averred that the applicant was in breach of their agreements.
- [53] Regarding the demand for the return of the products as set out in sub- paragraph 2(v) of the notice of motion, the respondent stated that it was not possible to return them. Apparently, the diesel tanker trailer had been sold; the logo that the applicant claimed ownership could not be returned because it belonged to the respondent; and the two telephone devices also belonged to the respondent as it had paid for their acquisition.[17]
- [54] This part of the applicant's claim seems to have been overtaken by events as the applicant does not dispute that one telephone handset was stolen and that the other was disconnected by it. The applicant seems to also accept the contention that the diesel tanker trailer was sold.
- [55] Therefore, the remaining question is whether the respondent was entitled to continue to display the applicant's logo after the lapse of their agreements or after it began to operate independently from the applicant. This is indirectly dealt with under the heading "ownership of the logo" in the judgment. For brevity, I deem it unnecessary to repeat same, but rather to record the finding under the aforementioned heading that the respondent was not entitled to display the applicant's logo at its business premises after it was no longer associated with the applicant.

Conclusion

- [56] At the commencement of the oral arguments, and on behalf of the applicant, a draft order was handed in with paragraphs that had some variations to the prayer in the original notice of motion. This variation was explained and it appeared that the inserted words sought to explain the relief sought in sub-paragraph 2(ii) in the notice of motion, and with no substantial changes. The varied sub-paragraph seemed clearer and shall therefore be preferred over the paragraph in the notice of motion.
- [57] From a conspectus of all the factors discussed above, and taken cumulatively, it has been shown on a balance of probabilities that the use of the word 'Jikelele' together with the applicant's logo; the get-up; the design and other factors referred to is insufficient to negate the deceptive effect on the buying public of the conspicuous similarities in the appearance of the respective goods of the applicant and the respondent. The applicant has discharged the onus that rests on it to establish that the respondent's conduct amounted to unlawful competition and was calculated to pass-off the applicant's business as being associated with it even though they had become competitors.
- [58] In other words, on a balance of probabilities, the applicant has established that the orange trailer design logo was already associated with the applicant's business. It has also shown how the respondent styled the use of the words 'Trailers & Tankers' as part of its logo was likely to cause deception or confusion to the public that the respondent was being connected to the applicant in the course of its trade. Undoubtedly, respondent's use of all the characteristics and features that collectively make up the applicant's logo did have the effect of passing-off and unduly compromising the applicant's business. Therefore, the respondent must be restrained from the conduct of passing off and desist from conducting itself in a manner that is likely to cause confusion and deception to customers. The respondent must equally desist from using any equipment or products that are the property or associated with the applicant.

Costs

- [59] Although the applicant sought an order of punitive costs, the record of proceedings and the parties' conduct revealed no factors that would warrant imposing of such costs. One also finds no cause for departure from the norm that the costs follow the results.

Order

- [60] In the result, the following order is therefore made:
1. The respondent is interdicted and restrained from passing-off or representing to the public at large that it operates as part of the applicant or as being connected in the course of trade with the applicant, by using in regard thereto the offending get-up, or any get-up which is confusingly or deceptively similar to the applicant's distinctive get-up.

2. The respondent is to desist from using the applicant's logo, including, but not limited to the picture of the orange tanker trailer, or words, "Trailer & Tankers" in the same style and on the same distinctive logo or get-up as the applicant or which is confusingly or deceptively similar to the applicant's logo or get-up.
3. The respondent is to immediately remove from public display all signage containing the applicant's distinctive get-up which is confusing or deceptively similar to the applicant's get-up at its premises situated at 1[...] U[...] Road, Springfield and anywhere else that such may be displayed.
4. That the respondent immediately desist from representing that any products henceforth sold by the Respondent were manufactured by, sourced from, carry any warrantee, by the Applicant;
5. The respondent be ordered to immediately restore possession to the applicant of:
5.2 signage displayed at 1[...] U[...] Road, Springfield, bearing the applicant's logo and wording;
and
6. That in the event of the respondent not restoring possession of the assets above within 24 hours of the service of this order, that the sheriff of this Court or his deputy is hereby authorized to uplift the assets from the respondent and restore possession thereof to the applicant.
7. The respondent is directed to pay the costs of this application, including the costs that were reserved on 2 November 2021. Such costs to include the costs of counsel.

ACTING JUDGE OF THE HIGH COURT

APPEARANCE DETAILS: For the Applicant: Mr E Mizrachi Instructed by: Nelson Borman & Partners
For the Defendant: Mr A Choudree Instructed by: Kirshen Naidoo & Company Inc.

Matter heard on: 28 April 2023

Judgment

delivered on: 14 June 2023

[1] Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others 1977 (2) SA 916 (A) which was approved in Koni Multinational Brands (Pty) Ltd v Beiersdorf AG (553/19)

[2021] ZASCA 24 (19 March 2021) para 19.

[2] Capital Estate ibid at 929C-D.

[3] Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A).

[4] Adidas AG and Another v Pepkor Retail Ltd [2012] 1 All SA 636 (WCC) para 64.

- [5] Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others 1977 (2) SA 916 (A) at 929C-D.
- [6] Adcock-Ingram Products v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W).
- [7] Respondent's concise heads of argument para 4.
- [8] Burnkloof Caterers (Ply) ltd v Horseshoe Caterers (Green Point) (Pty) Ltd 1976 (2) SA 930 (A) at 938G-H.
- [9] Ibid at 938H.
- [10] New Media Publishing (Ply} Ltd v Eating Out Web Services CC 2005 (5) SA 388 (C).
- [11] Beiersdorf AG v Koni Multinational Brands (Pty) Ltd 2019 (4) SA 553 (GJ).
- [12] Founding affidavit para 17.
- [13] Beiersdorf AG v Koni Multinational Brands (Ply) Ltd 2019 (4) SA 553 (GJ), which approach was approved by the Supreme Court on Appeal in Koni Multinational Brands (Ply) Ltd v Beiersdorf AG (553/19)
- [2021] ZASCA 24 (19 March 2021).
- [14] Beiersdorf AG v Koni Multinational Brands ibid para 21.
- [15] Adidas AG and Another v Pepkor Retail Ltd [2012] 1 All SA 636 (WCC) para 64.
- [16] Capital Estate and General Agencies (Ply) Ltd and Others v Holiday Inns Inc and Others 1977 (2) SA 916 (A) at 929C-D; Koni Multinational Brands (Ply} Ltd v Beiersdorf AG (553/19) [202 1] ZASCA 24 para 19.
- [17] Answering affidavit para 53.

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