

SOUTH AFRICA / JUDGMENT

GR5 Degreaser Trading CC v Enterprise Development Solutions Projects (Pty) Ltd and Others (39959/2014) [2016] ZAGPJHC 67 (18 March 2016)

[2016] ZAGPJHC 67

COURT

South Gauteng High Court, Johannesburg

BEFORE

Satchwell

CASE / FILE NUMBER

39959/2014

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IN

THE HIGH COURT OF SOUTH AFRICA

GAUTENG

LOCAL DIVISION, JOHANNESBURG

Case

number: 39959/2014

DATE:

18 MARCH 2016

In

the matter between:

GR5 DEGREASER

TRADING

CC.....Applicant

And

ENTERPRISE

DEVELOPMENT

SOLUTIONS.....First

Respondent

PROJECTS

(PTY) LTD

GR5.....Second

Respondent

ROGERS,

DENNIS

CLIVE.....Third

Respondent

KICHENBRAND,

JACQUES.....Fourth
Respondent

JUDGMENT

SATCHWELL J:

INTRODUCTION

This is an application for the joinder of one Jacques Kichenbrand ('Kichenbrand') as fourth defendant to an action where he is allegedly the author/creator of and seller to first, second and third defendants of a trademark and logo representation thereof which are the subject matter of the dispute in the action.

Plaintiff produces cleaning agents known as degreasers – being the manufacturer of a particular degreaser which it has been selling under the brand GR5 since 2009. Plaintiff has registered rights to the trademark in terms of the Trade Marks Act 194 of 1993 and alleges that it is the owner of the copyright in the logo representation in terms of the Copyright Act 98 of 1978 by reason of the assignment of such copyright to plaintiff by the creator/author thereof, one Tatum Langkilde, in 2014.

Plaintiff learnt that a competitor supplying degreasing agents was also using the trademark GR5 and a logo which appears similar to that used by plaintiff. Accordingly, plaintiff instituted action against the first three defendants seeking a number of declarations and interdicts pertaining to infringements of trademark, copyright and payment of certain royalties.

Defendants have disputed that plaintiff is the owner of the reputation and goodwill in these marks and, in amplification of their denial,[1] defendants have pleaded:

"21.5 At all material times, valid copyright subsisted in an original artistic work ('the first defendant's GR5 logo').

.....

21.7 The author of the first defendant's GR5 logo was one Jacques Kichenbrand ('Kichenbrand').

.....

21.9 The first defendant's GR5 logo is the result of Kichenbrand's own time, effort and skill and is therefore an original work.

21.10 At the time he authored the first defendant's GR5 logo Kichenbrand was a South African citizen and resident and consequently was a qualified person as defined in the Copyright Act 98 of 1978 ('the Copyright Act').

21.11 The first defendant's GR5 logo was first published in South Africa during or about August 2009.

21.12 The first defendant is the proprietor of the aforesaid copyright in the first defendant's GR5 logo by virtue of a written assignment of copyright from Kichenbrand to the first defendant."

Defendants' counterclaim is much to the same effect as the claim of plaintiff but also includes a claim for royalties, in lieu of damages, from Ms Langkilde as well as her joinder as second defendant to the counterclaim.

The joinder application sets out a series of interactions between plaintiff, Roy Langkilde, Tatum Langkilde, third defendant and

Jacques Kichenbrand (which the answering affidavit of Kichenbrand's attorney specifically states "are not admitted"). It would seem that these interactions are suggested to have had the result that they enabled Kichenbrand to reproduce or copy

plaintiff's logo – GR5.

7. The joinder application further avers that Kichenbrand is currently employed by EOH Digital, and is thought by plaintiff to have been so employed since 14th February 2001.

THE JOINDER APPLICATION

Plaintiff seeks an order that Jacques Kichenbrand be joined as the fourth defendant to plaintiff's claim; the notice of intention to amend introduces a new paragraph citing Kichenbrand as fourth defendant, as well as a new paragraph stating that "The defendant's GR5 logo was produced by Mr Jacques Kichenbrand, the fourth defendant, as an adaptation or revised version of the plaintiff's GR5 logo upon the request of Mr Rogers, the Third Defendant, for use in relation to the business to be conducted by GR5 True Blue Trading (Pty) Ltd aforementioned." and by insertion of another paragraph that "the defendants' GR5 logo is a reproduction or adaptation, within the meaning of section 7 of the Copyright Act 98 of 1978, of the plaintiff's GR5 logo."

Plaintiff seeks no relief against Kichenbrand.

Kichenbrand's attorney has filed an answering affidavit that he has been instructed by Kichenbrand to oppose this joinder application. The attorney specifically states that certain paragraphs in the joinder application are not admitted. It is asked that the application be dismissed with costs.

First to third defendants have argued against joinder of Kichenbrand.

Evidence and Documents

One reason given for joinder was that, although Ms Langkilde has not been able to locate a particular email between herself and

Kichenbrand himself, "... in all likelihood, Mr Kichenbrand will have a record - either on that said email address

or elsewhere – of the communication from Ms Langkilde. As a party to the proceedings, the records and documentation in this particular regard will become discoverable and therefore form part of the factual matrix upon which the Court will be requested to decide the matter.”[2]

This is roundabout way of obtaining documentary evidence to place before the court. The cost and inconvenience of being joined as a party to litigation should not be visited upon a third party merely because he or she has certain documents which may or may not be useful to one litigant and because discovery can be enforced against a party to the litigation.

Another, less costly and less inconvenient manner of procuring production of documentation in court is to procure issue of a subpoena duces tecum obliging a person to appear at court and produce those identified documents he or she is required to produce. Such person can also be advised that he or she is required to remain in attendance to be called as a witness by the party which has procured the issue of the subpoena and to give evidence.

There are, of course, certain strategic advantages as to whether or not a third party is joined as a defendant or subpoenaed as a witness. On the one hand, as a party (fourth defendant) Kichenbrand may elect never to appear at court or he may be in court but elect not to give evidence. Neither party has the right to consult with him or to call him as a witness. He is obliged to discover all documents in his possession or under his control. On the other hand, as the recipient of a subpoena, both parties can examine him and his documents in court.

Kichenbrand may give evidence to confirm that he did so assign the copyright or he may give evidence that he did not so assign. Such evidence would be in his capacity as a witness. He does need to be a party to do so. If he does not volunteer to give evidence, plaintiff or defendants can subpoena him. On defendants’ version they appear to need him as a witness. Joinder does not provide evidence – inter alia, it provides a party against whom a result can be sought to avoid a brutum fulmen or protects a party whose interests may be prejudiced by the trial result (which protection Kichenbrand apparently does not want).

Employee of EOH

Subsequent to issue of summons and prior to bringing the joinder application, plaintiff learnt that Kichenbrand is currently employed by EOH Digital as Head of Digital Design, and is understood by plaintiff to have been so employed since 14th February 2001.

It was argued by plaintiff that Kichenbrand ‘must explain’ not only ‘how he designed’ the logo but also that it ‘might be that he had no copyright and EOH is the owner and therefore the purported assignment by Kichenbrand [to defendants] falls away’. I was told that his story must be ‘ventilated’ as regards his employment as well as his design process.

Plaintiff’s heads of argument spell the issue out less graphically but more elegantly. As an employee at the time of his alleged creation of the defendant’s GR5 logo, his employer was (at least, prima facie) the first owner of the copyright in the mark he created, not he. So he had no copyright to assign. The argument then follows that he can only make submissions to the court if he is a party, which submissions might persuade the court to interpret the law differently; further

that “this is an aspect fundamental to the defendants entire case both in convention and reconvention.” and “Mr Kichenbrand’s standing, vis a vis creation of the defendant’s mark, is core to the defendants’ defence and its locus standi for its counter claim.”

Of course Kichenbrand is under no obligation to explain anything at all unless he is served with a subpoena. His conditions of employment and rights as an author in terms of the Copyright Act are matters for evidence - of himself or of his employer. In fact, his employer would only have an interest in the logo if such were designed in the course and scope of his employment and if his employment contract did not exclude his employer from author’s rights.

Insofar as plaintiff kindly argues joinder for the benefit of the fundamental issue in defendants’ case, that kindness is

misplaced. If defendant requires joinder, then defendant can apply for it.

Kichenbrand’s Interest in the Proceedings – Res Judicata

A further reason given for joinder is that Kichenbrand has an interest in the outcome “including for the reason that he (purportedly) entered into an assignment of his alleged copyright and upon which the defendants have based their entire defence and counter-claim (and threatened expungement) of the plaintiff’s trade mark registration.”[3]

On defendant’s version, Kichenbrand assigned his interest in the logo to defendants a number of years ago.

Notwithstanding that the existence of Kichenbrand has now come to light, plaintiff still seeks no relief against Kichenbrand.

I can see no interest of or for Kichenbrand in the outcome of this trial. After all, he has supposedly ceded all his rights, title and interest and does not appear to have any further claim against defendants and neither defendants nor plaintiff can claim anything from or against him.

It was submitted in argument on behalf of plaintiff that, as one looks at the chain of title to the copyright, where

Kichenbrand’s entitlement to dispose of that copyright is in dispute, then it is up to a him as a party to prove his title because he has an interest in that right. But, as I see it, Kichenbrand has no interest in this copyright. He has disposed of his right to defendants (on their version). He does not claim any interest in the copyright and has no interest in proving any title which he may have had.

However, plaintiff’s counsel took this argument further. As an employee of EOH at the time of his alleged creation of defendants’ GR5 logo, EOH, as his employer, was (at least prima facie) the owner of the copyright in the mark which he may have created. He would therefore have had no copyright to assign. It is argued that the trial court would, in the absence of Kichenbrand as a joined party to the proceedings, be unable to make any finding to the effect that Kichenbrand was not entitled to assign any copyright because such a finding might have a prejudicial effect on his

rights. Similarly, it was argued by plaintiff's counsel that the trial court would, in the absence of Kichenbrand as a joined party to the action, be unable to find that Kichenbrand reproduced, copied or adapted the plaintiff's logo.

Notwithstanding that Kichenbrand has been served with this application, has legal representation, knows the issues and has elected to oppose this application for his joinder, it is the possibility of the interest of or prejudice to Kichenbrand of which one must be mindful.

The only interest which was suggested to me in argument was that in future litigation, Kichenbrand would be confronted with a plea of *res judicata*.

The only overlapping future litigation which I could envisage would be an unhappy set of defendants seeking return of that which they paid or damages from Kichenbrand alternatively an unhappy plaintiff seeking damages from Kichenbrand. But in such a matter, Kichenbrand would be the defendant, the cause of action would be different than that which is currently before the court and the issue of *res judicata* could not arise.[4] In any event, plaintiff has decided to seek no relief from Kichenbrand and defendant has given no indication that it wishes to do so.

I have some difficulty in understanding when, where or how, Kichenbrand would wish to initiate proceedings which dispute any finding made by this trial court where the defendant/respondent in such a matter would be able to raise the plea of *res judicata*. None was adverted to. The requirements for successful reliance on the exception *res judicatae vel litis finitae* are set out in *National Sorghum Breweries v International Liquor Distributors* [2000] ZASCA 159; 2001

(2) SA 232 (SCA) at 239 F-I. See also *Bafokeng Tribe v Impala Platinum Ltd* 1993(3) SA 517 (B) at 556B-G. For *res judicata* to be raised against Kichenbrand, he would have to be the initiator of the proceedings and taking action against either plaintiff or defendant in this trial action.

In the locus classicus on joinder, *Amalgamated Engineering Union v Minister of Labour* 1949

(3) SA 637 A, Fagan AJA (as he then was) reviewed many authorities dealing with the issue of joinder as at 1949 and extracted therefrom the principles which remain applicable today. Two essential principles of law were affirmed – “(1) a judgment cannot be pleaded as *res judicata* against someone who was not a party to the suit in which it was given, and (2) that the court should not make an order that may

prejudice the rights of parties not before it.”[5]

This possibility of prejudice to a party who was not before the court, led the court in *Amalgamated Engineering supra*, to critically examine the reasoning in *Paarl Pretoria Gold Mining Co v Donovan & Wolff*, NO 3 S.A.R. 56 at page 93 which had found that “where a seller [Kichenbrand] has been warned by his purchaser [first to third defendants] that his title has been called in question by a third party and after due notice has failed to intervene, he cannot subsequently maintain a suit for trespass against such third party, and will be successfully met by the plea of *res judicata*” (the headnote). Fagan AJA pointed out that *Paarl Pretoria Gold Mining supra* was based upon Voet at 44.2.5 where there was given a non-exhaustive list of parties who

are regarded in law as being the same for the purposes of the rule that *res judicata* can be pleaded only when the parties to the previous suit have been the same as in the present one [my underlining]. Such parties who are regarded as the same in both a first and then a subsequent matter include purchaser and seller in certain circumstances.

I must thank Mr Salmon, appearing for plaintiff/applicant, for his great patience as he took me through this portion of the judgment

time and again as I seemed to be at cross-purposes with him in my comprehension thereof. My understanding is that the learned judge stated the parties are the same if the seller is the party in the first action; but not the same if the purchaser is the party in the first action; unless the seller has joined in the first action commenced against the purchaser or the seller has been notified of the action and has left the purchaser to fight on alone in which latter two instances seller and purchaser are the same for purposes of *res judicata* [underlining and semi-colons as they appear in *Amalgamated Engineering supra*].[6]

The logic is inescapable – purchaser and seller are considered to be the same where it is the seller's title which is challenged or where the seller has joined or where the seller has chosen, despite notification, not to join. The upshot would then be that Kichenbrand is regarded as the same party as are defendants in this action because he has been notified of the action and has clearly expressed that he opposes being joined in this action.

The question then arises whether or not this is a prejudice against which Kichenbrand must be protected? The answer appears to be in the negative for two reasons. Firstly, he has legal advice and his attorney has sworn to an affidavit on his behalf as I have already indicated.[7] Secondly, the issue of *res judicata* would only arise should Kichenbrand litigate as a plaintiff or applicant and such defence be raised against him. I have been given no indication of any claim which he would or could bring where the previous judgment given by this trial court was between the same parties, based on the same cause of action and with respect to the same subject-matter and where the plea of previous adjudication could therefore be raised.

I can find no interests of Kichenbrand which require protection or any possible prejudice to which he might be exposed which would justify his joinder in this action.

CONCLUSION

No relief is presently sought against Kichenbrand. He has, according to defendants' assigned all his interest in the logo to them. Findings made regarding his title in the trial court will have no immediate impact upon himself.

The only manner in which his interests could be prejudiced would be if he were to institute proceedings against plaintiff[8] on the same cause of action where he could be confronted by a plea that the same issue has already been adjudicated upon. I can only but speculate upon the grounds of any such proceedings which Kichenbrand might wish to bring. Any that come to mind would not be based upon the same cause of action set out in the present claim and counterclaim.

The evidence sought to be laid before the court is obtainable from Kichenbrand or his employer as witness(es). That is not a reason for joinder.

Kichenbrand has, through his attorney (whose authority has not been challenged), opposed his joinder.

In the result, an order is made as follows:

The application for the joinder of Jacques Kichenbrand as the fourth defendant to the plaintiff's claim is dismissed with costs, such costs to include:

- i. those costs consequent upon the employment of two counsel by defendants/respondent; and
- ii. those costs incurred by Kichenbrand in his notice of intention to oppose and his attorney's answering affidavit.

DATED AT JOHANNESBURG 18th MARCH 2016

SATCHWELL J

Counsel for Applicant: Adv O Salmon SC and with him Adv M Freed

Attorneys for Applicant Viljoen & Meek

Counsel for Respondent: Adv R Michau SC and with him Adv K Iles

Attorneys for Respondent: Dessington De Beer

Dates of hearing: 02nd March 2016.

Date of judgment: 18th March 2016.

[1] Paragraph 21 of defendants' plea.

[2] Paragraph 19 of the Joinder affidavit.

[3] Paragraph 17 of the Joinder affidavit.

[4] See Boshoff v Union Government 1932 TPD 345; Cook v Muller 1973

(2) SA 240 N and the discussion on res judicata in Herbststein and van Winsen from pages 311 and 598 onwards.

[5] At Page 651.

[6][6] At page 654.

[7][7] The authority of attorney Dessington to make such affidavit was not challenged. Furthermore, the cautions expressed in Amalgamated Engineering supra at pages 659 and 660 that the non-joined party should have stated that he ‘disclaims any interest ‘in the result or that ‘he submits to judgment’ is not applicable in this case where there is not indication that the issue of res judicata could ever arise to the prejudice of Kichenbrand.

[8] His position being the ‘same’ as that of defendants vide Amalgamated Engineering supra.

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Prepared on 11 October 2026 · Esheria