

SOUTH AFRICA / JUDGMENT

Lordship Trading Enterprises (Pty) Ltd v Vodacom (Pty) Ltd (3308/18) [2020] ZAGPPHC 656 (20 November 2020) [2020] ZAGPPHC 656

COURT

North Gauteng High Court, Pretoria

BEFORE

Mabuse

CASE / FILE NUMBER

3308/18

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IN THE HIGH COURT OF SOUTH AFRICA

GAUTENG DIVISION, PRETORIA

CASE NUMBER: 3308/18

DATE: 20 November 2020

LORDSHIP TRADING ENTERPRISES (PTY) LTD

Plaintiff

and

VODACOM (PTY) LTD

Defendant

JUDGMENT

MABUSE J

[1] This is an interlocutory application in which the applicant, Lordship Trading Enterprises (“Lordship Trading”), seeks against the Respondent, Vodacom (Pty) Ltd (“Vodacom”), an order in the following terms:

1.1 directing that the first opposition proceedings, pending under case number 20273/2019, be referred to trial on such issues as the parties may agree upon, and which receive the approval of this Court, within

7 days of the grant of this order alternatively failing such agreement on such issues as the Court may direct;

1.2 directing that the first opposition proceedings under case number 20273/2019 be heard by this Court at the same time as this Court hears the action under case number 3308/2018;

1.3 that Vodacom be directed to pay the costs of this application, including the costs consequent upon the employment of two counsel;

1.4 such further and/or alternative relief as the honourable Court may deem fit.

[2] This interlocutory application emanates from the action proceedings in Case No. 3308/18. In the action proceedings, Lordship Trading is the Plaintiff while Vodacom is the Defendant.

[3] The action proceedings in case number 3308/2018 have been referred to the commercial court for adjudication. It is for that reason that the matter is before this court.

[4] There is another matter registered under case number 20273/2019 to which the Court has been referred. This is an opposed application. In the founding papers Lordship Trading has referred to the opposed application as the “first opposition”. For purposes of convenience it will be referred to as “the first opposition”. In the first opposition Lordship Trading is the Applicant and Vodacom is the Respondent. In the notice of motion of the opposition Lordship Trading, as applicant, shorn of irrelevant relief, seeks the following relief:

“(a) Pursuant to the provisions of Section 10(2)(b), 10(7) and 10(12) of the Trademarks Act 194 of 1993, Vodacom’s application for registration of the mark Just4You in class 38 under registration number 2016/05334, be and is hereby refused.

(b) Vodacom is directed to pay the costs of Lordship Trading in these proceedings on an attorney and client scale, including the costs consequent upon the employment of senior counsel.

(c) Lordship Trading is granted such further and/or alternative relief as the Registrar deems meet.”

[5] In his heads of argument, par [31], counsel for the Lordship Trading clarified the application. He made it truly clear that the consolidation sought in the application is not the kind of consolidation envisaged in Rule 11 of the Uniform Rules of court. The consolidation referred to in Rule 11 takes place where separate actions have been instituted and it appears to the court upon application convenient to make an order consolidating such actions. I will deal with aspect later in the judgment.

[6] The reason for seeking the relief set out above is, according Lordship Trading, that the issues which are to be decided, in the first opposition proceedings, overlap to a very large extent, with the issues that this court will need to decide in the determination of the dispute in the action proceedings pending under case number 3308/2018. In his heads of argument counsel for Lordship Trading submits that it will be convenient and expedient for this court to direct that the opposition application and other proceedings be heard simultaneously in the same court by the same Judge.

- [7] Lordship Trading contends that it is Vodacom's manner of pleading in the action proceedings that caused the action proceedings and the first oppositions proceedings to be inextricably interwoven. According to Lordship Trading this resulted from Vodacom seeking to rely, by way of a special plea, on the fact of each trademark application which are the subject of the opposition proceedings. Vodacom contends furthermore that the action should be stayed pending the outcome of the first opposition proceedings as there has been no indication from Vodacom as to when and how it seeks to have this special plea adjudicated upon.
- [8] THE ASPECTS OVERLAPPING BETWEEN THE ACTION PROCEEDINGS AND OPPOSITION PROCEEDINGS

8.1 It is Lordship Trading's case that the issues to be decided in the action proceedings overlap with those in the opposition proceedings. Lordship Trading firstly places the reliance on the statement by Vodacom in the special plea that:

"...there is...litigation pending between the same parties based on substantially the same cause of action in respect of the same subject matter as that requires determination in this action." Clinging onto the said statement Lordship Trading contends that the statement supports its view that the issues to be decided in the action proceedings overlap with the issues

to be decided in the opposition application. I doubt if that it is common cause between the parties.

8.2 In its answering affidavit, Vodacom disagrees with the Lordship Trading that there are any overlapping issues in the two proceedings. Vodacom contends that there is no overlap in the

issues

to be determined in action proceedings and the first opposition proceedings. The material difference in the issues to be determined is gleaned from the sections of the Trade Marks Act 194 of 1993 ("the Act") relied on and ultimately from the relief sought in each of the proceedings. In the first oppositions proceedings, which were initially brought before the Registrar of Trade Marks, Lordship Trading opposes the application of Vodacom to register the following trade marks, Just4you application number 2016/05334 and application number 20160/05335 for the logo mark Just4you. The Lordship Trading's opposition to Vodacom's

application for registration of those Trademarks is based on section 21 read with sections 10(2)(b) and 10(7) and 10(12) of the Act. Section 10(2)(b) of the Act provides that:

"...a mark will not be registered if it consists exclusively of a sign or an

indication which may serve, intrude, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of the production of the goods or of rendering of the services.” Section 10(7) provides that a mark will not be registered that if it is a mark:

“the application for registration of which was mala fide.” Section 10(12)

provides that a mark will not be registered if it is:

“...a mark which is inherently deceptive or the use of which will be likely to deceive or cause confusions, be contrary to law, be contra bonos mores, or be likely to give offence to any class of

persons.”

It is Lordship Trading’s case in the first opposition that Vodacom’s use of its Just4you trade mark is likely to deceive

or cause confusion in view of Lordship Trading’s use of Just4you trademark and is that of clothing and that Vodacom’s

use of its Just4you trademark is contra bonos mores. In this regard Lordship Trading relies on section 10(2) of the Act. Strictly speaking it is the duty of Vodacom in 20273/2019 or in the first opposition proceedings to show cause why it should register those trademarks. At the same time, the duty is on Lordship Trading to show cause why the application of Vodacom should not be granted. In the circumstances Vodacom should be the Applicant in the proceedings and Lordship Trading should be the Respondent and not vice versa.

8.3 On the other hand, the action proceedings are an infringement claim based on the provisions of section 34(1)(a), (b) and (c) of the Act. Lordship Trading seeks, in the action proceedings, an interdict in terms of which Vodacom is prevented from using the marks JUST4YOU in respect of any data bundles marketed and sold by Vodacom and in respect of any and all promotional

material associated therewith. In action proceedings Lordship Trading also seeks payment of royalty in an amount equal to 5% of the value of every data bundle sold by Vodacom under the offending

marks commencing from 2016 up until the date of the judgment, together with interest thereon and that the determination of the royalty be postponed for investigations and determination. The action proceedings are an infringement claim premised on sections 24(1)(a), (b) and (c) of the Act. X These sections provide that the proprietor of a registered trademark is entitled to prevent:

“34(1)(a) – the unauthorised use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;

34(1)(b) – unauthorised use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion;

34(1)(c) – the unauthorised use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception: Provided that the provisions of this paragraph shall not apply to a trade mark referred to in section 17(2).” In the action proceedings Lordship Trading relies on the registered mark, in registration number B1972/06411 Just4U/Just4you which is registered in respect of clothing.

8.4 Briefly, the cornerstone of Lordship Trading’s case in the action

proceedings is that Vodacom’s use of its Just4you trade marks in relation to the sale of data bundles in respect of cellular or mobile phones; infringes its, Lordship Trading’s, registered Just4you device mark which is registered in respect of clothing under s 34(1)(a), (b), (c) of the Act. Thus, the first opposition proceedings concerned are brought under completely different sections of the Act to those that require consideration in the action proceedings. Consequently, under those circumstances, I agree with Vodacom that there is no overlap in the issues involved in the first opposition proceedings and the action proceedings.

8.5 Furthermore, by stating that the issues involved in the action proceedings

overlap with the issues involved in the first opposition proceedings Lordship Trading means that the crucial issues that are set out in the first opposition proceedings are, because they overlap, also covered in the

action proceedings. If they are not covered, the question is what prevents

Lordship Trading from amending its action proceedings in such a way as

to accommodate such crucial issues that are contained only in the first

opposition proceedings so that Lordship Trading proceeds only with action proceedings; in such a case it will be unnecessary to try and consolidate the action proceedings with the first opposition proceedings. I

have not been told why Lordship Trading cannot make the necessary amendments to the action proceedings to incorporate in such

proceedings all the relevant details that are only contained in the opposition application proceedings.

[9] VODACOM SEEKS TO DELAY BY WAY OF A SPECIAL PLEA ON THE FACT OF ITS
TRADEMARK APPLICATIONS

Lordship Trading contends that Vodacom has pleaded a special plea in such a way as to conflate the opposition proceedings and the action proceedings and in the special plea Vodacom relies on the fact of its trade mark applications which are the subject of the first opposition proceedings. In my view, Lordship Trading's interpretation of Vodacom's special plea is flawed. All that Vodacom does in this special plea is to raise a special plea of *lis pendens*. This is a dilatory plea which is open to the defendant, such as Vodacom, who contends that a suit between the same parties concerning a like thing and founded upon the same cause of action is pending.

- [10] The court reserves a discretion in the matter even if all the essentials of the plea be present and may in spite of that fact consider whether it is more just and equitable or convenient that the action against which the special plea is advanced be allowed to proceed. "A plea of *lis pendens* does not have the effect of an absolute bar to the proceedings in which the defence is raised. A court has a discretion to stay one or other of the proceedings brought in respect of the same subject matter." See *Loader v Dursot Bros (Pty) Ltd* 1948 (3) SA 136 T.P.D 138.
- [11] The existence of a special plea does not necessarily imply that there will be an application in terms of Rule 33(4) of the Uniform Rules of Court. A special plea is set down for hearing with the main plea. It precedes the main plea and is argued even before the plaintiff's case. If it succeeds, the plaintiff's case cannot proceed but if it fails the plaintiff's case will proceed and the defendant will rely on the main plea. Therefore, the perception that the special plea will delay the action proceedings lacks merit.
- [12] The Uniform Rules of Court do not make any provision for the nature of the consolidation sought in this application. It is for that reason that the Lordship Trading has not resorted to Rule 11 of the Uniform Rules of Court. Now if the Lordship Trading seeks a consolidation of action proceedings and first opposition application but does not seek the kind of consolidation envisaged in Rule 11 of the Uniform Rules of Court what is the basis for its application for consolidation? In this regard Lordship Trading relies on the approach espoused by the court in *Qwelane v Minister of Justice and Constitutional Development* 2015 (2) SA 493 (GSJ) in which the court considered its powers to direct the consolidation of a matter pending in the Equality Court with the one in the High Court. In the said judgment, relying on its inherent jurisdiction as set out in Section 173 of the Constitution the court had the following to say at page 495 J – 497 C:

"(6) in the absence of enabling statutory provisions or rules providing for a consolidation of the proceedings we are now concerned with, it is necessary to consider the provisions of s 173 of the Constitution, which confers on high courts the inherent power to protect and regulate their own process and to develop the common law, taking into account the interests of justice. The nature and content of the power accorded to the courts under s 173 have been considered and pronounced on in a number of Constitutional Court judgments. It suffices for present purposes to refer to South African Broadcasting Corp Ltd v National Director of Public Prosecutions and Others [2006] ZACC 15; 2007 (1) SA 523 CC

(2007) CC; 2007 (2) BLGR 167; [2006] ZACC 15 [par 90] in which Moseneke DCJ held that s 173 vests in the judiciary the authority to uphold, to protect and to fulfil judicial function of administering justice in a regular, orderly and effective manner within its jurisdiction. It is a power that should be exercised

sparingly and in exceptional cases only, having taken into account the interests of justice in a manner consistent with the Constitution

(See *S v Thunzi and Another (Minister for Justice and Constitutional Development) and Minister of Constitutional Development joined* 2011 (3) BCLR 281 (CC)

[2010] ZACC 12).”

[13] The notion of the “superior court” adjudicating the consolidated proceedings, in my view, is illusory. The characteristics of the proceedings, although consolidated, remain unaltered. The pre-trial procedure in respect of both would, by the time the hearing takes place, have been finalised. Consolidation affects the hearing only which will now take place before a single judge, in the dual capacity I have referred to. There is no magic to the consolidated hearing; although heard together, the presiding judge will adjudicate the issues in each case within the parameters of the powers as specified in the applicable legislation, rules and procedures. All the evidence the parties wish to present on all the issues will be led and arguments advanced, with the only difference that there will be confined to one thing. The unique characteristics of the proceedings therefore remain intact without compromising the rules, procedures and powers of each of the courts.” The principle laid down in *Qwelane* was followed by the Constitutional Court in *D v Methodist Church* 2016

(2) SA 1 CC at par [57] in the circumstances it would appear that the power of this court to direct the hearing of separate matters together at the same time by the same court is well established.” See *De Lange v Presiding Bishop of the Methodist Church* 2016(2) SA 1 CC at par [57].

[14] Counsel for Vodacom argued that Lordship Trading’s reliance on *Qwelane* and *De Lange* was fundamentally flawed. Vodacom concedes though that these two decisions make it clear that the power of the Court under s 173 of the Constitution should be exercised sparingly and in exceptional cases only, taking into account the interests of justice, in a manner consistent with the Constitution. According to counsel for Vodacom, the exercise of the inherent power must result in the administration of justice in an orderly and effective manner. The similarity of factual and legal issues in the proceedings to be consolidated are not the only consideration. Expedience and fairness to the parties, absence of prejudice and savings in costs are other considerations that consolidation must consider.

[15] Lordship Trading has made submissions in respect of the other considerations that must be considered in the assessment of whether it is proper for a Court to order consolidation. In the founding affidavit and also in Lordship’s counsel’s heads of argument an argument is put across that if the Court were to order that the action proceedings and the first opposition

proceedings be heard together that will prevent these overlapping issues to be heard by two different Judges, hearing evidence and legal arguments on the same issues. Doing so, has the advantage of saving costs for the parties. It is argued furthermore that, more importantly, precious court time will not be wasted in having same issues being retried on the evidence before two different Judges with the attendant risk that two different Judges hearing the first opposition proceedings and the action proceedings may come to different conclusions on the issues that overlap in the two proceedings. In this regard Lordship Trading relies on the Constitutional Court judgment of *van der Walt v Metcash Trading Ltd* [2002] ZACC 4; 2002 (4) SA 317 (CC), which found that it is inimical to our system of procedure for different Courts of the first instance to determine the same

issues

of law and fact as this has the potential to lead to contrary findings, had the following to say:

“[20] Clearly the judicial system should avoid, to the extent possible, the kind of result that occurred in this case. It is hardly conducive to confidence in the system that on two consecutive days the highest Court in non-constitutional matters should issue contrary orders in substantially identical cases. Where any court sits in panels, this possibility cannot ever be wholly excluded. However, the panel system in the SCA is explicitly envisaged in s 168(2) of the Constitution which provides that:

“A matter before the Supreme Court of Appeal must be decided by the number of judges determined by an Act of Parliament.”

As the acting Chief Justice recognised in his letter, the system should contain procedures designed to prevent, to the extent possible, the kind of unfortunate outcome that occurred in this case.”

[21] I would emphasise that if each of the petitions had mentioned that a similar application was being brought in the other, the Acting Chief Justice and the Judges in each panel would have been alerted to the fact that the two applications should have been considered together by the same panel”.

[16] Counsel for Vodacom argued that the case of *Qwelane* is distinguishable on the facts from Lordship Trading’s first opposition and furthermore that it does not in any way advance Lordship Trading’s matter. He enlarged his argument and set out eight reasons which militate against the granting of the consolidation. These reasons are:

16.1 It is common cause that the first opposition has not been referred to the Commercial Court. In this Division a matter is not regarded as Commercial unless a committee that is established strictly for that purpose classifies the matter as such. In practice it is not the duty of a court hearing a matter to classify it as a commercial matter. Thereafter it is the duty of the DJP or ADJP to assign it to a Judge to hear it as a commercial matter. No Judge has the power or authority to snatch any matter from the queue, assign it to himself or herself, categorize it as commercial and hear it, without following the procedure set out above. On this point alone the application may

not succeed as, clearly, the opposition application did not follow the correct classification procedure.

16.2 It is furthermore common cause that the first opposition is not formally before the court. According to advocate Maenetje SC, Lordship Trading has only undertaken to make the papers available to this Court at the hearing of the application. A court may not deal with matters which are not formally before it.

16.3 It was argued by advocate Maenetje SC that only the interlocutory application is before court. According to him this point is significant by reason of the existence of a dispute regarding the extent of the issues in the first opposition, which this court cannot determine in these proceedings. These issues are whether it is permissible for Lordship Trading to rely on grounds of opposition which have not been set out in the founding affidavit and whether, upon application by it, a supplementary affidavit in the first opposition proceedings that it filed without having been sanctioned by the court should be permitted to constitute part of the record in the first opposition proceedings. Counsel for Vodacom's argument is that the court cannot anticipate the outcome of those issues in the present proceedings by granting a consolidation and only later determining the ambit of the issues in the opposition proceedings that are before court. I agree with counsel for Vodacom. Consolidating matters and thereafter deciding on the issues in dispute is like putting the cart before the horse. It is utterly impossible. In my view, it is the issues in dispute that determine whether there ought to be consolidation. A court should not grant consolidation without having or knowing the reasons for doing so. It is Vodacom's case that proceeding otherwise would be unfair to it, irregular and would not result in saving costs or the Court's time because it would be the source of further disputes. It was pointed out to the court that in any event this court is not permitted to make an order in relation to a matter that was not before it. Reliance on this principle was placed by counsel for Vodacom on *Buffalo City v Asla Construction* 2019 (4) SCA 321 (CC) 27 paras [27] and [28]. These paragraphs make it clear that the court may not make an order in a matter relating to a matter to which it is not privy. Such an order is invalid and of no effect.

16.4 It is of paramount importance that the ambit of the issues in the first opposition be determined. If Vodacom's objections were upheld there would only be one factual issue that is notionally similar in the first opposition and the action proceedings. That issue, so it was argued by counsel for Vodacom, relates to whether the use of the Vodacom marks submitted for registration is likely to deceive or to sow confusion of trademarks. According to him the issue is not so substantial because the incidence of onus and the test to determine the likelihood of deception or confusion differ between the two proceedings. In an infringement action, the onus is on the Plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the Plaintiff to show that every person interested or concerned (usually as a customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused

16.5 According to Mr Maenetje reliance on Vodacom's special plea regarding the substantial overlap of factual and legal issues is unhelpful to Lord Trading. This a question of law made in the special plea. I have already pointed out earlier that a court reserves a discretion whether to grant a plea of *lis pendens* even if all the essentials of the plea are present that it may, in spite of that factor, consider whether it is more just and equitable or convenient to grant it. The court must apply the law to the pleadings and determine whether there is a substantial overlap in the factual and legal issues to justify consolidation. In this regard See *Cusa v Tao Ying Metal Industries and Others* [2009], BLCR 1 (CC) at para. [68].

16.6 Adv Maenetje SC espouses the view that, because Lordship Trading has not referred to any directly applicable authority that supports the *sui generis* approach that it proposes, the present case is not an exceptional one.

16.7 Counsel for Vodacom advanced the argument that it would be a travesty of justice if the first opposition were to be referred to trial in a situation where an exchange of pleadings is excluded [for the application for consolidation is silent on that aspect] and where there is no agreement between the parties as to what the issues are that might be referred to trial in the first opposition and the court is not in a position to determine them. At the same time, this court is not able to force the parties to reach an agreement on the issues to be referred to trial.

16.8 In order to avoid any risk of conflicting judgments and to achieve the expeditious determination of the first opposition and the action proceedings regularly and fairly, and even then, if the first opposition has been referred to the Commercial Court, Vodacom proposes that it be left to the court to determine a procedure in terms of which the same Judge will hear and determine the first opposition and the action, but do so consecutively albeit expeditiously but not at the same time.

[17] On the basis of the foregoing reasons, it is Vodacom's case that Lordship Trading has failed to satisfy the threshold test for referral under s 173 of the Constitution.

[18] What is the test that Lordship Trading had to satisfy to succeed with its application to refer the first application proceedings to trial? A litigant can only succeed with an application to refer motion applications to trial under the following circumstances:

18.1 if there is any genuine dispute of fact that cannot be resolved without the aid of oral evidence; or,

18.2 if there are reasonable grounds for doubting the correctness of the allegations concerned in affidavit; or,

18.3 where an application cannot be properly decided on affidavit because there is a potential witness whose affidavit cannot be obtained.

REFERRAL OF THE FIRST OPPOSITION TO TRIAL

[19] In his heads of argument Advocate Moosa SC states that the opposition proceedings were instituted in terms of s 21 of the Act. The said s 21 provides that:

“Opposition to registration.

Any interested person may, within three months from the date of the advertisement of an application in terms of section 17 or within such further time as the registrar may allow, oppose the application in the manner prescribed.”

S 19 of the Act prescribes the correct manner. It provides as follows:

“(19) Proceedings before the Registrar [Sections 21,24,26,27 and 45].

All proceedings brought before the Registrar in terms of Section 21, 24, 26 and 27 of the Act shall be brought on notice of opposition or notice of rectification, as the case may be, supported by an affidavit as to the facts upon which the applicant relies for relief.”

[20] Accordingly, Lordship Trading was compelled by the provisions of the Act to institute the first opposition proceedings by way of notice of motion. It obviously had no option of instituting action proceedings. He contends that, because of the workings of the statute, the result was that Lordship Trading was deprived of the opportunity it would have had should it have been able to institute the first opposition proceedings by way of action proceedings to obtain discovery from Vodacom and to have the opportunity to cross-examine Vodacom’s witnesses. He is saying that the statute provides no mechanism to oppose the registration of Vodacom’s trade marks by way of action proceedings and that Lordships Trading is manacled by the provisions of the Act to oppose Vodacom’s attempts to register its trade marks by way of section 19 of the Act. It is for that reason that Lordship Trading finds itself in a peculiar situation where it is the applicant in the opposition proceedings in circumstances where Vodacom becomes the respondent. Vodacom carries the onus of establishing that it is entitled to register each trade mark.

[21] Lordship Trading seeks referral to trial of the opposition proceedings on two grounds, namely: that there are aspects peculiarly within the knowledge of Vodacom and its officials in respect of which Lordship Trading should be entitled to cross-examine Vodacom’s witnesses and which pertained directly to one or more of the grounds of the opposition relied upon by Lordship Trading in the first opposition application and secondly, it is sought in respect of those disputes of fact which have arisen on the papers in circumstances in which Lordship Trading cannot be blamed for the proceedings having been instituted on affidavit.

[22] Counsel for Lordship Trading relies on the provisions of Rule 6(5)(g) of the Uniform Rules of Court which provide that:

“Where an application cannot properly be decided on affidavit the court may dismiss the application or make such as to it seems meet with a view to ensuring a just and expeditious decision. In particular, but without affecting the generality of the foregoing, it may direct that oral evidence be heard on specified

issues with a view to resolving any dispute of fact and to that end may order any deponent to appear personally or grant leave for him or any other person to be subpoenaed to appear and be examined and cross-examined as a witness or it may refer the matter to trial with appropriate directions as to pleadings or definition issues, or otherwise.”

He referred this Court to the judgment of AECI Limited and Another v Strand Municipality and Others 1991 (4) SA 688 (C) where Marais J. had to following to say:

“In considering the application for the hearing of oral evidence or the cross-examination of the deponents to affidavit, I bear in mind that this is not a case in which applicants elected to employ notice of motion proceedings. They were obliged to do so because Rule 53(1) requires them to do so. In such circumstances, a party who wishes to discharge an onus of proof which rest upon him by asking for an opportunity to adduce evidence or to examine the opponents to answering affidavits should not likely be deprived of that opportunity”.

In AECI Ltd, the applicants, applied in limine to lead oral evidence or for the opportunity to cross-examine the deponent to the answering affidavits, and, if such application were to fail, contended in the alternative that they were entitled on the existing papers to an order setting aside the expropriation. The respondents opposed the application to lead oral evidence or for the cross-examination of deponents, submitting that before such an application could succeed, it had to be shown at least (1) that the issues to be referred had to be resolved in order to determine the case, (2) that there are reasonable grounds for doubting the correctness of the allegations made in the affidavits sought to be impugned and (3) that the evidence or cross-examination would remain within narrowly defined limits, and that these requirements have not been complied with. The court granted the application but in doing so remarked that “But that does not mean that any such application will be granted as a matter of course.” See page 699A.

[23] According to AECI Ltd, the question to be asked is whether the applicant has succeeded in placing sufficient evidence before Court to justify their request to be given an opportunity of questioning, by appropriate cross-examination, “the Administrator’s assertion that he did not have a closed and committed mind by the time applicant’s objections were received.” In AECI Ltd the Court found that the applicants had raised a prima facie case of bias that their objections had not been given consideration to which they were entitled. In the instant application Lordship Trading has not succeeded to place before Court sufficient evidence to justify their request to be given an opportunity to of leading oral evidence.

[24] On the other hand counsel for Vodacom argued that a litigant may apply for a matter to be referred to trial only if he satisfies the court that:

24.1 there is a real and genuine district of fact which cannot be resolved without the aid of oral evidence; and,

24.2 there are reasonable grounds for doubting the correctness of the allegations concerned.

Another reason where an application cannot be properly decided on affidavit because there is a potential witness whose affidavit cannot be obtained. The approach of the courts in determining the existence of a real and genuine dispute of facts is captured in the Civil Procedure of the High Court of South Africa (by Herbststein and Von Winsen, 5th Edition), at 294 where it is stated that:

“The determination of the question of whether a real and genuine dispute of fact exist is a question of fact for the court to decide. The respondent’s allegation of the existence of such a dispute is not conclusive. In every case the court must see whether in truth there is a real dispute of fact which cannot be satisfactorily determined without the aid of oral evidence. If this were not done the respondent, might be able to raise fictitious issues of fact and thus delay the hearing of the matter to the prejudice of the applicant.”

The Court must be satisfied that there is a genuine and real dispute of fact. The duty is on the Court to make that determination.

It is a question of fact. A statement by a party that there exist a dispute of fact is not sufficient.

[25]

25.1 In Room Hire Co (Pty) Ltd v Jeppe Street Mansions (Pty) Ltd 1949

- (3) SA 1155 (T) at 11622-1163, the Court dealt extensively with the way a dispute of fact arises. In this judgment the court stated the following:

“It is obvious that a claimant who elects to proceed by motion runs the risk that a dispute of fact may be shown to exist. In that event (as is indicated infra) the court has the discretion as to the future 'course of the proceedings. If it does not consider the case such that the dispute of fact can properly be determined by calling viva voce evidence under rule 9, the parties may be sent to trial in the ordinary way, either on the affidavits as constituting the pleadings, or with a direction that pleadings are to be filed. Or the application may even be dismissed with costs, particularly when the applicant should have realized when launching his application that a serious dispute of fact was bound to develop. It is certainly not proper that an applicant should commence proceedings by motion with knowledge of the probability of a protracted enquiry into disputed facts not capable of easy ascertainment, but in the hope of inducing the Court to apply Rule 9 to what is essentially the subject of an ordinary trial action. The crucial question is always whether there is a real dispute of fact. That being so, and the applicant being entitled in absence of such dispute to secure relief by means of affidavit evidence, it does not appear that a respondent is entitled to defeat the applicant merely by bare denials such as he might employ in the pleadings of the trial action, for the sole purpose of forcing his opponent in the witness box to undergo cross- examination. Nor is the respondent’s mere allegation of the existence of the dispute of fact conclusive of such existence. In every case the Court must examine the alleged dispute of affect and see whether in truth there is a real issue of fact which cannot be satisfactorily determined without aid of oral evidence; if it is not done, then the lessee, against whom the ejectment is sought, might be able to raise fictitious issues of fact and thus delay the hearing of the matter to the prejudice of the lesser (per Watermeyer CJ in Paterson Cuthbert & Co. Ltd. (supra, at p. 428)).

It may be desirable to indicate the principle ways in which a dispute of facts arises. The clearest instance is of course, (a) when the respondent denies all the material allegations made by the various deponents on the applicant's behalf, and produces or will produce, positive evidence by deponents or witnesses to the contrary. He may have witnesses who are not presently available or who, though averse to making affidavit, would give evidence viva voce if subpoenaed. There are however other cases to consider. The respondent may (b) admit the applicant's affidavit evidence but allege other facts which the applicant disputes. Or (c) he may concede that he has no knowledge of the main facts stated by the applicant, but may deny them, putting applicant to the proof and himself giving or proposing to give evidence to show that the applicant and his deponents are biased and untruthful or otherwise unreliable, and that certain facts upon which applicant and his deponents rely to prove the main facts are untrue. The absence of any positive evidence possessed by a respondent directly contradicting applicant's main allegations does not render a case such as this free of a real dispute of fact. Or (d) he may state he can lead no evidence himself or by others to dispute the truth of applicants statements, which are particularly within applicant's knowledge, but he puts applicant to the proof thereof by oral evidence subject to cross-examination."

25.2 In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* [1984] ZASCA 51; 1984

(3) SA 623 (A) at 635 H-J the Court decided, on the issue of dispute of facts in motion proceedings, that:

"It is correct that, where in proceedings on notice of motion disputes of fact have arisen on the affidavits, a final order where an interdict or some other form of relief, may be granted if those facts whether it be the applicant's affidavit which have been admitted by the respondent averred together with the facts alleged by the respondent, justify such an order. The power of the Court to give such final relief on the papers before it is, however, not confined to such a situation. In certain instances, the denial by respondent of a fact alleged by the applicant may not be such as to raise a real, genuine or bona fide dispute of fact ... If in such a case the respondent has not availed himself of his right to apply for the deponents concerned to be called for cross-examination under Rule 6(5)(a) of the Uniform Rules of Court ... and the Court is satisfied as to the inherent credibility of the applicant's factual averment, it may proceed on the basis of the correctness thereof and include this fact among those upon which it determines whether the applicant is entitled to their final relief which he seeks."

25.3 Finally the Court was referred to *Soffiantini v Mould* 1956 (4) SA 150 (E.D.L.D) at 154 F in which Price J.P., as he then was, had the following to say that:

"If by a mere denial in general terms a respondent can defeat or delay an applicant who comes to Court on motion, then motion proceedings are worthless, for a respondent can always defeat or delay a petitioner by such a device. It is necessary to make a robust, common sense approach to a dispute on motion as otherwise the effective functioning of the Court can be hamstrung and circumvented by the most simple and blatant stratagem. The Court must not hesitate to decide the issue of fact on affidavit merely because it may be difficult to do so. Justice can be defeated or seriously impeded and delayed by an over-fastidious approach to a dispute raised in affidavits."

[26] The onus is on Lordship Trading to satisfy the Court that there are disputes of fact that cannot satisfactorily be decided on the affidavits. The duty is on it to identify these disputes of fact and to demonstrate why these disputes of fact cannot be decided on affidavits. This leads to the next question which is whether or not there are any reasonable grounds for doubting the correctness of the allegations contained in the affidavits. The Court, in *Khumalo v Director General of Co-operation and Development and Others* [1990] ZASCA 118; 1991 (1) SA 158 (A) at 167 G – 168 A, made it clear that it is not difficult for the Court to order cross-examination of deponent's affidavit in which a dispute of fact is shown to exist. Accordingly, it is imperative that before a Court can order cross-examination of deponents, it be established that a dispute of fact exists. Furthermore, the Court stated that oral evidence in one or the other form envisaged by Rule 6(5)(g) should be allowed if there are reasonable grounds for doubting the correctness of the allegations concerned. Citing with approval the following conclusions of Kumleben in *Moosa Brothers and Sons (Pty) Ltd v Rajah* 1975 (4) SA 87 (D) at 93 A-H, the Court had the following to say:

“(a) As a matter of interpretation, there is nothing in the language of Rule 6(5)(g) which restricts the discretionary power of the Court to order the cross-examination of a deponent to cases in which a dispute of fact is shown to exist.

- (b) The illustrations of “genuine” dispute of fact given in the *Room Hire* case at 1163 do not – and did not purport to – set out the circumstances in which cross-examination under the relevant Transvaal Rule of Court could be authorised. They a fortiori cannot determine the circumstances in which such relief should be granted in terms of the present Rule 6(5)(g).
- (c) Without attempting to lay down any precise rule, which may have the effect of limiting the wide discretion implicit in this rule, in my view, oral evidence in one or other form envisaged by Rule should be allowed if there are reasonable grounds for doubting the correctness of the allegations concerned.
- (d) In reaching a decision in this regard, the facts peculiarly within the knowledge of the applicant, which for that reason cannot be directly contradicted or refuted by the opposite party, are to be carefully scrutinized.”

[27] The next question that the Court turns its attention to is whether or not Lordship Trading has proved that there are real and genuine disputes of fact. In paragraph 28.3 of the founding affidavit the deponent to the founding affidavit foreshadowed what Lordship Trading regarded as dispute of fact when he stated that:

“28.3 In any event, the present matter does contain disputes of fact in relation to, for instance, the sales figures and existence of a licensing arrangements relied on by Lordship in the first opposition as well as with regard to my credibility as a witness. I respectfully submit that the interest of justice requires the referral of the opposition proceedings to trial alternatively for the hearing of oral evidence on specific issues as directed by the honourable Court.”

Accordingly, Lordship Trading has identified three disputes of fact, to wit, the sales figures, the existence of a licensing arrangement and thirdly, the credibility of Mr Vahed. These are all the disputes of fact that Lordship Trading could identify.

[28] Vodacom disagrees. It was argued on behalf of Vodacom that Lordship Trading has taken no steps to demonstrate the existence of real and genuine disputes of fact. Furthermore, he argued that Lordship Trading has failed to allege that the said perceived disputes of fact cannot be satisfactorily resolved without the aid of oral evidence. According to him this is not a surprise, for the three alleged disputes of fact Lordship has identified, are in fact not dispute of facts between the parties herein. Truthfully they are disputes that arise in Lordship Trading's own evidence. The real and genuine disputes of fact must be one between the parties and not the one in the parties' evidence. In *Khaile v Administration Board*, Western Cape 1983 (1) SA 473 (C) at page 478 H, the Court had the following to say:

"This call for the hearing of oral testimony was, as has already been indicated, refused; the disputes of fact referred to in Rule of Court 6(5)(g), which, in appropriate circumstances, permits the hearing of oral evidence in motion proceedings, are disputes of fact between the parties and not disputes of fact between one of the parties and his agent and representative."

While this Court accepts that the application to refer the opposition proceedings is not predicated on Rule II, the principle espoused in the *Khaile* case supra applies equally to the instant matter. An order to refer a matter to oral evidence, presupposes the existence of a genuine dispute.

[29] According to Adv Maenetje SC, the perceived disputes of fact that Lordship Trading has identified and which he has argued arise in Lordship Trading's own evidence, arise largely due to the fact that Lordship Trading has advanced two divergent versions about the sales figures and its license fee arrangements. These two versions obviously have a bearing on the credibility of Mr Vahed.

[30] In my view, Lordship has not proved that the three disputes of fact it has identified, on which it relies in support of its request for a referral to trial are in fact real and genuine disputes of fact as contemplated in the authorities discussed above. On this basis this Court is disinclined to refer the opposite proceedings to trial.

[31] Are there any reasonable grounds for doubting the correctness of the allegations made by Vodacom? In an attempt to make out a case that there are reasonable grounds for doubting the correctness of Vodacom's allegations on this issue, Lordship Trading relies on the following statement made in paragraph 26.11 of its founding affidavit:

"Vodacom has not provided a satisfactory explanation as to why it wanted to acquire Lordship Trading's trade mark registration for the mark "Just4You" in 2002/2003. As can be seen from the quotations taken from Mr Nyoka's answering affidavit, the statements made by him are evasive and raised more questions than answers. This conduct on the side of Vodacom, and the failure to state specifically what its intentions were at all relevant times certainly calls into question the bona fides of

Vodacom in the timing, and the commencement of, its use of its mark “JUST4YOU”. Some of the questions that arise are, what products did Vodacom intend using the mark “JUST4YOU” at the time of its approach in 2002? Why did Vodacom select a trade mark in respect of a product that it could not have developed yet, as the technology did not exist for the product at the time. The explanations provided by Mr Nyoka seem highly unlikely.”

Having stated that, Lordship Trading continued and stated that the aspects which underlie the opposition in terms of s 10(7) and s 10(12) are peculiarly within the knowledge of Vodacom and its employees, which Lordship Trading cannot extract without the opportunity of cross-examining these witnesses. Vodacom’s view is that the submission made by Lordship Trading in paragraph 26.11 of its founding affidavit that the reason why Vodacom approached Lordship Trading in 2002 underlie its opposition based on s 10(7) and 10(12) of the Act, is fundamentally incorrect. Vodacom’s case is that the reason why Vodacom approached Lordship Trading in 2002 is wholly irrelevant to the determination of Lordship Trading’s opposition under s 10(7) and 10(12).

[32] It is again Vodacom’s case that it is factually incorrect that in 2002 Vodacom wanted to acquire Lordship Trading’s trademark. Truthfully, Vodacom’s attorneys wrote a letter to Lordship Trading. That letter reads, inter alia, as follows:

“After investigations in the trade, no use of your client’s “JUST4U” and Device could be established and, consequently, our client believes that your client’s trade mark registration is vulnerable to cancellation on the basis of non-use.

We have been instructed by our client to request your client to voluntarily assign its trade mark registration to our client.

Our client will accept responsibility for the costs of assignment.”

[33] Quite clearly, Vodacom did not want to acquire Lordship Trading’s mark. The statement that Vodacom wanted to acquire JUST4U trade mark is misplaced. What it did was to ask Lordship Trading to voluntarily assign the mark to it, following the investigation that revealed that there had been no use of the mark. On the contrary, it was so argued by counsel for Vodacom, it was Lordship Trading that offered to sell its Trademark to Vodacom. This it did on 30 September 2002 when it wrote the following letter to Vodacom:

“... Our client’s (sic) are at loss (sic) as to how Vodacom has come to the conclusion that they have not used this mark. Our client’s (sic) will no doubt oppose any expungement application brought by your client.

In view of the fact that our client has established a substantial goodwill in this mark, they are agreeable to entertain any suitable

offer made by Vodacom for an outright purchase of the mark”

[34] Finally, this Court has come to a conclusion that Lordship Trading has not succeeded in establishing any reasonable grounds for doubting the correctness of the reasons why Vodacom approached Lordship Trading in 2002.

[35] The application for the relief set in the notice of motions is hereby refused. The application is therefore dismissed with costs, which costs shall include the costs of two counsel.

PM MABUSE

JUDGE OF THE HIGH COURT

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Adv I Joubert

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Instructed by:

DM Kisch Inc.

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