

SOUTH AFRICA / JUDGMENT

Safika Holdings (Pty) Ltd v Safika Office for Automation (39786/2005) [2015] ZAGPPHC 859; 2016 BIP 116 (GP) (11 December 2015)

[2015] ZAGPPHC 859

COURT

North Gauteng High Court, Pretoria

BEFORE

R G Tolmay

CASE / FILE NUMBER

39786/2005

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IN THE HIGH COURT OF

SOUTH AFRICA

(GAUTENG DIVISION,

PRETORIA)

Case number: 39786/2005

Date: 11/12/2015

In the matter between: SAFIKA HOLDINGS (PTY)
LTD FIRST
APPLICANT
Versus
SAFIKA OFFICE FOR
AUTOMATION (PTY) LTD RESPONDENT

JUDGMENT

TOLMAY, J:

INTRODUCTION

- [1] This is an application for interdictory relief in terms of sections 34(1)(a) and
- (b) of the Trade Marks Act, 194 of 1993 ("the Act"). Applicant, the proprietor of various Safika goods and service trademark registrations alleges that the respondent in breach of the aforesaid provisions uses the mark in relation to the goods and services for which the mark is registered.

- [2] The applicant has various subsidiaries in what is commonly known as the SAFIKA Group. The applicant has a wide range of trading interest including information technology and telecommunications and is the proprietor of the trade mark SAFIKA in various classes. The applicant has since 1995 used the mark Safika. The applicant was formed on 15 February 1996. Respondent was incorporated during 1997.
- [3] On learning about the respondent's incorporation applicant objected to the name of respondent. The objection of applicant was dismissed. Applicant alleges that the Registrars of Companies made his decision on incorrect information. Applicant took no steps to remedy this situation. Applicant launched an application to register the mark SAFIKA in respect of various classes during 2002. Despite opposition by the respondent this application was granted[1]. This application for interdictory relief was launched during December 2005. The respondent in its answering affidavit inter alia expressed the view that by virtue of an irresolvable dispute of fact, the application was incapable of being decided on affidavit. An interlocutory application by respondent followed which was opposed and two issues were referred to oral evidence on 29 August 2006, namely:
- 3.1. the question as to whether the applicant commenced use of the name and trade mark SAFIKA in respect of office automation prior to the first use of the SAFIKA name/trademark by the respondent in respect of office automation; and
- 3.2. the question whether the respondent made continuous bona fide use of the SAFIKA name and trademark as is envisaged in section 36(1) of the Act.
- [4] On 24 October 2007 application was made for a date for the hearing of oral evidence and the matter was enrolled for hearing during May 2008. It was however postponed by agreement between the parties thereafter nothing was done until 17 December 2013 when the applicant requested a pre-trial conference. This conference was held on 1 July 2014 and thereafter the matter was enrolled for the hearing of oral evidence for 3 days commencing on 17 November 2015. At the hearing however the parties agreed to argue the matter on the papers without leading any evidence.

BACKGROUND

- [5] The applicant is the registered proprietor of the trademark Safika in seven different classes for a variety of different goods and services. Of particular relevance to the current application are the applicant's trademarks registered in class 9 and class 35.
- [6] Class 9 relates to goods and includes, "apparatus for recording, transmission or reproduction of sound or images" and "computers". This includes goods such as photocopiers, fax machines, computers, computer software and printers.

- [7] Class 35 pertains to services related to "business administration" and "office functions". It includes services such as office machines and equipment rental as well as rental of photocopying machines.
- [8] The applicant alleges that the respondent in conducting its business, trades as Safika for Office Automation (Pty) Ltd, Safika Office Automation, Safika Gestetner and Gestetner Safika. It also uses the mark Safika alone. It is alleged that the respondent offers various services relating to office equipment and to office automation products, and in doing so competes directly with the applicant. It is alleged that respondent uses the mark SAFIKA in the course of trade in relation to goods and services in respect of which the trademark SAFIKA is registered by the applicant and that use is of an identical mark to that of the applicant and it is use of a mark so nearly resembling it as to be likely to deceive or cause confusion. These allegations were admitted by the respondent in its answering affidavit. In an affidavit in response to respondent's affidavit in an interlocutory application to

dismiss the application on the basis of undue delay filed shortly before the hearing, applicant expanded further on the alleged

infringement by respondent and alleged that respondent's infringement has increased. No replying affidavit was filed, consequently the allegations contained in that answering affidavit is uncontested.

- [9] As a result it initially seemed to be common cause between the parties that the respondent uses the trade mark SAFIKA in relation to goods and services which fall within the scope of the applicant's registered trade mark. It also seemed to be common cause that the respondent's use of the mark SAFIKA constitutes use of an identical mark to that of the applicant or is use of a mark so nearly resembling it as to be likely to deceive or cause confusion.

- [10] The respondent initially raised three defences to applicant's cause of action:

- a) it relied on the provisions of section 36(1) of the Act;
- b) the respondent relied on the defence of estoppel, (this defence was however abandoned at the hearing); and
- c) the respondent relied on an inordinate delay in the prosecution of the matter.

- [11] Despite the admissions pertaining to infringement already referred to the respondent at the hearing argued that no infringement occurred, and that the application should be dismissed on that ground.

THE ALLEGED INFRINGEMENT ON APPLICANT'S TRADEMARK

- [12] This defence was raised for the first time during argument. It is important to note what the contents of the affidavits reveal in this regard. The applicant alleges in paragraphs 67 and 68 of its founding affidavit in the main application that:

"In conducting its business, the Respondent trades as Safika for Office Automation (Pty) Ltd, Safika Office Automation, Safika Gestetner and Gestetner Safika. It uses the mark SAFIKA alone. An example of the use is attached as Annexure S12. The company offers various services relating to office equipment and to all office automation products and, in doing so, competes directly with the Applicant. Primarily, it trades in and provides services relating to the following:

Photocopiers, colour copiers and multifunctional photocopiers that include scanners, fax machines and printers; binding systems; colour printers; fax machines; computers; software solutions; scanners; other computer peripherals; and accessories for those goods.

In trading in those goods and services, the Respondent uses the mark SAFIKA in the course of trade in relation to goods and services in respect of which the trade mark SAFIKA is registered by the Applicant and that use is of an identical mark to that of the Applicant or is use of a mark so nearly resembling it as to be likely

to deceive or cause confusion. "

[13] In the answering affidavit the respondent without any qualification merely admits these allegations. In its answering affidavit in opposition to the registration of the trade mark it was also contended by the respondent that it made extensive use of the trade mark[2]. Spoelstra J however found at that point that the respondent's use did not constitute use as a trade mark.

[14] The respondent now in argument seeks to argue that there is no infringement as envisaged by section 34(1) and that Spoelstra J's finding is confirmation of that fact. I find this argument disingenuous in the light of the admissions contained in the affidavit. If there was no infringement or if respondent wanted to rely on Spoelstra J's finding as confirmation for the fact that there was no infringement one would have expected that argument to have been raised in the answering affidavit, instead respondent admitted infringement. At no point did the respondent seek to withdraw those admissions.

[15] In the answering affidavit in the delay application, applicant in order to explain the delay, stated that it became aware of increased use of the mark. The relevant paragraph in the founding affidavit reads as follows:

"During or about August 2013 the applicant became aware that the respondent was becoming more active in the market and the respondent's infringement of the applicant's trade marks more flagrant. In this regard, it came to the attention of the applicant that the respondent had commenced using the name, Safika (Pty) Ltd being a name identical to the applicant's subsidiary Safika (Pty) Ltd, on its website,, and had renamed its office building "Safika House", which is the name of the applicant's office park from which it conducts its operations. Several of the respondent's vehicles were also spotted in and around Johannesburg bearing prominent SAFIKA branding.

Although the applicant's subsidiary name no longer appears on the respondent's website, it appears to have changed its name to Safika Business Solutions and Services and its website presently indicates that it provides services and solutions, including software solutions, which overlaps with the applicant's rights."

[16] No replying affidavit was filed to answer these allegations and as such it is uncontested that respondent has increased its use of the trade mark.

[17] In the light of the admissions contained in the answering affidavit, the fact that no application was brought to withdraw these admissions and the failure to respond to the allegations contained in the later affidavit I am of the view that there is no merit in this argument.

THE SECTION 36 DEFENCE

[18] Section 36(1) of the Act provides as follows:

"Nothing in this Act shall allow the proprietor of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in respect of goods or services in relation to which that person or a predecessor in title of his has made continuous and bona fide use of that trade mark from a date anterior- (my emphasis)

- a) to the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his; or
- b) to the registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his,

whichever is the earlier, or to object (on such use being proved) to the trade mark of that person being registered in respect of those goods or services under section 14."

[19] It is trite that the underlying purpose of section 36 is to preserve whatever common-law rights a respondent may have which are antecedent to the rights of the registered proprietor. An applicant can only rely on this section if it has made bona fide and continuous use of the trade mark from a date earlier than the use of the proprietor or from a date prior to the registration of the trade mark, whichever is the earlier.[3]

[20] The respondent contends that it made bona fide and continuous use of the trademark SAFIKA in relation to office automation prior to the applicant's trade mark's registration.

[21] In order to succeed in the defence the respondent in terms of this section bears the onus of proving the following:[4]

21.1. the use of the relevant mark in relation to the goods or services in respect of which protection is claimed;

21.2. that such use was bona fide;

21.3. that such use was continuous; and

21.4. that such use preceded registration of the mark by the applicant or any use which the applicant made of the mark.

[22] The requirement of bona fide use was dealt with in *McDonalds Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another*, a case concerned with section 36(2) of the Trade Marks Act. The then Appellate Division defined the concept as follows:

"Bona fide use of a trade mark within the meaning of section 36(2) must therefore be use for the purpose of distinguishing the goods or services provided under that mark from the same kind of goods and services connected in the course of trade with any other person." [5]

[23] In order to show that it had used SAFIKA, on a bona fide basis prior to the date on which the applicant's trade marks were registered the respondent must establish that its use of the SAFIKA name, such as it is, was in the context of distinguishing the respondent's goods or services from those of another trader. In other words, the respondent must show that it used SAFIKA, as a trade mark, to designate the origin of the goods or services being provided (i.e. as a badge of origin), rather than for some other purpose.

[24] In this regard, it is trite that a person may use a trade mark otherwise than as a badge of origin. [6] For example, use of a mark in a descriptive manner does not amount to trade mark use. [7] The same would be true of the use of the mark as part of a company name. [8] In neither of these instances would the proprietor be using the mark (in this instance, SAFIKA) to distinguish its goods or services from another trader. The proprietor would instead be using the mark simply to describe the goods or services that it is providing or selling; or otherwise to describe or identify the name of the corporate vehicle through which it trades.

[25] Whether or not use amounts to use as a trade mark (and therefore bona fide use) is a question of fact which must be determined in light of the specific circumstances of the case. [9] What is required is an interpretation of the relevant mark as perceived by the consumer. [10]

[26] The requirement of continuous use must receive a "reasonable business interpretation." [11] In *Oils International (Pty) Ltd v WM Penn Oils Ltd*, [12] this requirement was explained with reference to the equivalent provision under the Trade Marks Act, 1952 as follows:

'User' is defined in the Shorter Oxford Dictionary as a term of law meaning,

'continued use, exercise or enjoyment of a right',

and the view has been judicially expressed that in a context like the present one the user must be of a substantial kind. *Williams Ltd v Massey Ltd*, 28 R.P.C. 512." [13] (our emphasis)

[27] In *WM Penn Oils* there was evidence of only one instance of use which predated the date of registration of the trade mark, being a sale of 24 containers

of brake fluid. That sale was accompanied by an invoice onto which was stamped the trade mark in dispute in that matter, namely

"LIFESAVER".[14] In dismissing the defence based on vested rights, the Court held that:

"it seems clear that the objector did nothing which could be described as 'continuous user' of the mark; it is to be doubted whether there was any 'user' at all.[15]

[28] The Appellate Division confirmed the correctness of this finding, it was held that:

"The Court further expressed the opinion that sec. 123(3) was not in point because it envisaged a continuous user; and that, on the information then before it, the user by Penn Oils could not be so described.

In my view the reasoning of the court a quo is clearly right... Counsel for the appellant recognised his difficulties in contending otherwise."[16]

[29] Insofar as the legal principles are concerned, the provisions of section 36(1) were considered by the Supreme Court of Appeal in *Etraction Ltd v Tyrecor (Pty) Ltd*. [17] The court held that any person who would, on the date on which the proprietor's trade mark was registered, be entitled to bring a passing off action based on the reputation they had acquired from the use of the unregistered mark [18] would be entitled to invoke section 36(1) against a claim for infringement. [19] On the facts before it, which involved the sale of 15 000 wheel rims and revenues in excess of R10 million over a two year period before the trade mark in issue was registered, [20] the court held that the defendant in that matter had indeed established such a reputation. [21]

[30] The court went on to consider, obiter, whether or not section 36 would find application in circumstances where the defendant was unable to prove a reputation for common law purposes. The court held that it did not want to "foreclose the possibility that the section may have a broader reach than that and may extend to any bona fide and continuous use irrespective of whether it could give rise to a legal right capable of

founding a claim". [22]

[31] The court thus indicated that there might possibly be scope for an argument that one need not establish a reputation at common law to rely on the provisions of section 36. It is clear, however, that to the extent scope exists for this at all, evidence of use which at least comes close to establishing such a reputation should be adduced.

[32] In this matter the respondent was incorporated on 1 October 1997. The relevant period within which the respondent has to establish use in terms of section 36(1) is the period 1 October 1997 to 18 December 1997, being the date on which the applicant's marks in classes 9 and 35 were registered. The marks were applied for on this date. In terms of section 29(1) of the Act, the trade mark is registered from the date of application for the trade mark.

- [33] The period of the respondent's use is therefore a maximum of two and half months in duration. The limited period of use alone renders it most unlikely that the use was of the "substantial kind" envisaged in the Oils International case; and does not come close to establishing that the respondent enjoyed a vested right in the mark SAFIKA.
- [34] The respondent has only adduced evidence of two offers to provide services to a potential customer and, ironically this was made to the applicant's subsidiary, Safika Technologies (Pty) Ltd. The offers were made on 26 November 1997 and 28 November 1997 respectively.
- [35] The two quotations are made on the same letterhead and can therefore be dealt with together. In the top left-hand corner of the letterhead is the trade mark CANON in bold; and in substantially larger font than any other type on the page. Beneath this trade mark is the respondent's company name "Safika for Office Automation (Pty) Ltd' in capital letters with Safika appearing in inverted commas. It is clear from the description of the goods being offered to the prospective customer that the goods being offered for sale originate from well-known manufacturers of these goods such as CANON, PANASONIC and PENTIUM. The respondent does not therefore itself manufacture the goods. It does however provide services relating to them.
- [36] A reasonable customer receiving these offers would assume that they are receiving goods manufactured by CANON, PANASONIC and PENTIUM; and that the services being provided in relation to these goods are services provided by CANON or an authorised franchisee of CANON. The trade mark used on the two offers is therefore CANON and not SAFIKA. In these circumstances, it is the trade mark CANON that is being used to differentiate the services being provided by the respondent from those of other traders. The marks CANON, PANASONIC and PENTIUM are being used to distinguish the goods which are the subject of the offer from those of other traders.
- [37] It would seem that respondent relies on the 18 years that have passed since it was incorporated to show continuous use. That period is however irrelevant for the purposes of the section 36(1) defence. In the light of all the circumstances respondent failed to prove bona fide and continuous use of the relevant mark during the relevant time period as contemplated in section 36(1) of the Act.

DELAY IN PROSECUTION

- [38] A few weeks prior to the hearing of this application, on 17 September 2015, the respondent sought leave to introduce a further affidavit in these proceedings pursuant to the provisions of rule 6(5)(e). The affidavit deals exclusively with the question of the delay in prosecuting these proceedings. The respondent argues that applicant should not be allowed to enforce its trade mark rights in circumstances where the respondent traded under the disputed mark for over 18 years. The respondent contends that it has suffered prejudice because of the applicant's delay in prosecuting the main application in the following two respects:

38.1. it is unable to locate one of its "essential" witnesses;

38.2. that it has used the mark SAFIKA for an extensive and continuous period of over 18 years and as such has built up a substantial reputation and goodwill.

[39] No oral evidence was heard and the respondent did not have to locate the witness Mr Semenya. This leaves the second ground to be considered.

[40] The relevance of delay, in a trade mark context, was discussed by the Supreme Court of Appeal in *Turbek Trading CC v A & D Spitz Ltd And Another*, where the following was said:

"[15] Turbek's first line of defence was a reliance on what counsel referred to as an 'equitable defence' of delay: if a party delays in enforcing its rights the party may in the discretion of the court either forfeit the rights or be precluded from enforcing them. The factual basis of the defence was, briefly put, that Spitz had known since 1 October 2001 of Turbek's trademark applications and its use of the mark KG on footwear but only took steps to enforce its alleged common-law rights when it instituted the present proceedings during July 2007. This delay, according to the submission, amounted to acquiescence which disentitled Spitz from attacking the registrations or obtaining an interdict. Counsel relied on a statement by Patel J that our law recognises a defence of acquiescence distinct from estoppel and that the doctrine can be applied to halt cases where necessary to attain just and equitable results (*Botha v White* 2004 (3) SA 184 (T) ([2003] 2 All SA 362) paras 24 and 31). That Patel J had failed to take account of binding authority that contradicted his bald statement and that he had misread authority on which he sought to rely was pointed out by Thring J in *New Media Publishing (Pty) Ltd v Eating Out Web Services CC* 2005 BIP 127 (C) at 1451 - 147A [2005] ZAWCHC 20; (2005 (5) SA 388 at 4061

- 407J). During argument it became clear that counsel was unable to contend more than that delay may in a suitable case be evidence of an intention to waive, evidence of a misrepresentation that might found estoppel, or evidence of consent for purposes of the *volenti non fit injuria* principle. In other words, counsel was unable to substantiate his submission that acquiescence is a substantive defence in our law. Delay, in the context of trademark law, may provide evidence of a loss of goodwill or distinctiveness but that was not Turbek's case on the papers. All this does not mean that delay may not have procedural consequences: for instance, it may be a factor to take into account in exercising a court's discretion to refuse to issue a declaration of rights or an interim interdict or, maybe, even a final interdict, leaving the claimant to pursue other remedies such as damages. Maybe this was what Patel J had in mind. If not, he erred." [23] (My emphasis)

[41] Harms JA did not find that delay, in itself, would be a basis upon which to refuse a final interdict. The high water mark of his finding was that this was "maybe, even" something which might be considered "as a factor" in the exercise of the court's discretion.

[42] Trade mark infringement is a continuing wrong. It was persuasively argued by counsel for the applicant that the harm suffered by the trade mark proprietor continues for so long as the respondent's conduct continues. If a court was to dismiss an application for final interdictory relief based on trade mark infringement on the basis that there had been a

delay in prosecuting that application (i.e. on procedural grounds), the court would effectively grant a royalty-free licence to the respondent to use the trade mark indefinitely. Such an order, it was argued, would seriously undermine the applicant's trade mark rights because that mark would no longer be exclusively associated with the applicant (i.e. leading to dilution of those rights).

- [43] It was also argued that in making such an order the court would effectively countenance the confusion and deception of the public caused by the respondent's (court-authorised) use of that trade mark. In other words, the court would effectively condone the very wrong, being deception and confusion, against which trade mark law is designed to protect the public.
- [44] In the Turbek Trading case a delay of six years in instituting proceedings was not considered to be determinative.
- [45] In *Cadac (Pty) Ltd v Weber-Stephen Products Company And Others*,^[24] it was found that a delay of just more than three years in the prosecution of a damages claim was not a bar to the prosecution of that claim. One of the important considerations to which the court had regard was the fact that the respondent in that case,

Weber-Stephen, had remedies available to it which it could have exercised to ensure that its rights were protected. The court held in this regard that:

"as Munnik CJ said (at 705A - B), the debtor to a certain extent has a say in the running of prescription by enforcing the rules of court. In this case Weber-Stephen could have enrolled the case for dismissal of the postponed relief."^[25] (my emphasis)

- [46] In the decision of *Societe des Produits Nestle SA vs International Foodstuffs*^[26] a nine year delay in the institution of proceedings was found not to give rise to an estoppel or waiver. The court granted final interdictory relief despite the fact that the respondent had been selling its infringing chocolate bars in South Africa for nearly a decade.
- [47] In both the Nestle case and the Turbek case, the delay occurred before instituting the proceedings. In this matter the parties have a long and protracted history of an on-going dispute pertaining to the mark Safika, which predates this application. A delay in instituting proceedings is, of course, much more likely to give rise to an estoppel or waiver defence because the respondent can claim that it was unaware of the applicant's objection to its conduct and carried out its affairs accordingly, in casu this was not the case. Where the applicant has instituted proceedings, as in this case, the respondent cannot claim to be unaware of the respondent's objection to its conduct.
- [48] In terms of the case law referred to refusing to grant relief on this basis is something which might be considered by a court in particular cases. But those cases will be rare. Certainly, what would need to be established is:

48.1. firstly, prejudice to the respondent which outweighs the prejudice to the applicant and the very real public interest in being protected

against confusingly similar use of two trade marks by different proprietors;[27]

48.2. secondly, that the respondent is not the author of its own misfortune. Where the respondent had alternative remedies available to it which it could have exercised to bring the litigation to an end, or otherwise defeat it, and the respondent has elected not to exercise those remedies (as in the Weber-Stephens case), the court will most unlikely dismiss the application on the basis of delay; and

48.3. finally, that the respondent has reasonable prospects of succeeding in the main application. [28]

[49] The dispute between the parties started in 1997. There was opposition to the name of respondent, the registration of applicant's trade marks and ultimately to this application. In 2002 the applicant's trade marks were registered. In 2005 this application was launched. In 2006 the matter was referred to oral evidence. After that in 2008 it was postponed by agreement. Thereafter nobody did anything to pursue the matter until December 2013.

[50] In the delay application applicants explain that after its CEO, Mr Cuba and Mr Marc Ber parted ways with the applicant nobody pursued the matter and it was only in 2013 when applicant became aware of respondent's increased use of the mark Safika that the matter was investigated and pursued.

[51] The respondent apart from the bold allegation that it has used the mark for over 18 years did not provide any evidence of prejudice. Neither was any evidence submitted of the respondent's reputation pertaining to the mark SAFIKA. The respondent contributed to the delay by insisting on oral evidence being led and not enrolling the matter when applicant failed to do so.

[52] In the light of all these circumstances I am of the view that this defence should not succeed.

CONCLUSION

[53] I am of the view that the respondent's defences can't be upheld and that applicant is entitled to the relief sought.

[54] I make the following order:

54.1. The respondent is restrained in terms of section 34(1)(a) of the Trade Marks Act No. 194 of 1993 from infringing the rights in the applicant's trade mark registration Nos. 97/19660 SAFIKA in class 9, No 97/19661 SAFIKA in class 16, No. 97/19662 SAFIKA in class 35, No. 97/19663 SAFIKA in class 36, No. 98/11217 SAFIKA in class 38, No. 98/11218 SAFIKA in class 39 and No 98/11219 SAFIKA in class 41 by using in relation to any of the goods and services for which the trade marks are registered the marks SAFIKA and SAFIKA OFFICE FOR AUTOMATION or any other name or mark so nearly resembling the applicant's trade mark SAFIKA as to be likely to deceive or cause confusion;

54.2. The respondent is restrained in terms of section 34(1){b} of the Trade Marks Act No. 194 of 1993 from infringing the rights in the applicant's trade mark registration Nos. 97/19660 SAFIKA in class 9, No 97/19661 SAFIKA in class 16, No. 97/19662 SAFIKA in class 35, No. 97/19663 SAFIKA in class 36, No. 98/11217 SAFIKA in class 38, No. 98/11218 SAFIKA in class 39 and No 98/11219 SAFIKA in class 41 by using in relation to goods or services which are so similar to the goods and services in respect of which the trade marks are registered that in such use there exists the likelihood of deception and confusion;

54.3. The respondent is directed to remove the infringing marks from all material and where the infringing mark is inseparable from or

incapable of being removed from the material, to deliver up that material to the applicant or its attorneys; and

54.4. The respondent is to pay the costs of the application.

R G TOLMAY

JUDGE OF THE HIGH COURT

ATTORNEYS FOR APPLICANT:

ADAMS & ADAMS

ADVOCATE FOR APPLICANT:

ADV G MARRIOTT; ADV K TURNER

ATTORNEYS FOR RESPONDENT:

HAHN & HAHN

ADVOCATE FOR RESPONDENT:

AJ BESTER (SC)

DATE OF HEARING: 17 NOVEMBER 2015

DATE OF JUDGMENT: 11 DECEMBER 2015

[1] Safika Holdings (Ply) Ltd v Safika Office Automation (Ply) Ltd, case no 97/19660-3, 98/11217-9

[2] Safika Holdings (Pty) Ltd , Annexure J4, p 47 to the papers

[3] Nino's Coffee Bar and Restaurant CC v Nino's Italian Coffee & Sandwich Bar CC & Another; Nino's Italian Coffee & Sandwich Bar CC v Nino's Coffee Bar & Restaurant CC 1998(3) SA 656 (C) para 63

[4] See too Webster & Page, South African Law of Trade Marks, para 12.45.1.

- [5] 1997 (1) SA (1) at 30F.
- [6] Century City Aparlments Properly Se/Vices CC and 2 others v Century City Properly Owners' Association 2010 (3) SA 1 (SCA) [10J ("Century City")
- [7] Verimark (Ply) Ltd v BMW AG. BMW AG v Verimark (Pty) Ltd 2007 (6) SA 263 (SCA) [5]; Commercial Autoglass (Pty) Ltd v BMW AG 2007 (6) SA 637 (SCA). This is a trade mark infringement case, but the principles apply equally here.
- [8] It was on this basis that Spoelstra J dismissed the respondent's opposition to the applicant's trade mark registrations. See Safika Holdings (Proprietor) Limited, supra, page 52, last paragraph on the page and
- p. 54, first paragraph on the page.
- [8] It was on this basis that Spoelstra J dismissed the respondent's opposition to the applicant's trade mark registrations. See Safika Holdings (Proprietor) Limited, supra, page 52, last paragraph on the page and
- p. 54, first paragraph on the page.
- [9] Anhueser-Busch v Budejovicky Budvar NP Case C-245/02 [2005] E.T.M.R 27 par. 61.
- [10] Verimark v BMW, supra, par. 7
- [11] Kerly 14 ed par 14-183
- [12] Oils International (Pty) Ltd v Wm Penn Oils Ltd 1965 (3) SA 64 (T) 70A-B.
- [13] Oils International (Pty) Ltd v WM Penn Oils Ltd 1965 (3) SA 64 {T} at p. 70. See too Williams v Massey Ltd 28 R.P.C. 512 at 515; Smith Bartlet and Co v The British Pure Oil Grease and Carbide Co.Ltd (1934) 51 R.P.C. 157 and Webster & Page para 12.45.1;
- [13] Oils International (Pty) Ltd v WM Penn Oils Ltd 1965 (3) SA 64 {T} at p. 70. See too Williams v Massey Ltd 28 R.P.C. 512 at 515; Smith Bartlet and Co v The British Pure Oil Grease and Carbide Co.Ltd (1934) 51 R.P.C. 157 and Webster & Page para 12.45.1;
- [14] Supra, p. 68 (d).
- [15] Oils International (Pty) Ltd v WM Penn Oils Ltd 1965 (3) SA 64 (T) at p.70.
- [16] W M Penn Oils Ltd v Oils International (Pty) Ltd 1966 (1) SA 311 (A) at 317.
- [17]
- [2015] ZASCA 78 (28 May 2015).

- [18] The requirement of reputation or goodwill in a passing off action requires that the applicant must prove that its "name, mark, sign or get-up has become distinctive, that is, that in the eyes of the public it has acquired a significance or meaning as indicating a particular origin of the goods (business, services) in respect of which that feature is used. This is called reputation" - see *Bress Designs (Pty) Ltd v GY Lounge Suite Manufacturers (Pty) Ltd* 1991 (2) SA 455 (W) at 471 D.
- [19] Supra, para [16].
- [20] Supra, para [10].
- [21] Supra, para [20].
- [22] Supra, para [24].
- [23] 2009 BIP 219 (SCA)
- [24] 2010 BIP 307 (SCA)
- [25] Supra, at para 24.
- [26]
- [2014] ZASCA 187 para
- [27] Serious prejudice is also a requirement for a party that seeks to dismiss an action on the basis of inordinate delay in a non-trade mark context (i.e in cases which do not deal with continuing wrongs. Also relevant in these contexts is the defendant's inactivity and its failure to bring the matter to trial. See *Cassimjee v Minister of Finance* 2014 (3) SA 198 (SCA) at para 11 and 12; *Sanford v Haley* NO 2004 (3) SA 296 (C); *Gopaul v Subbamah* 2002 (6) SA 551 (D).
- [28] See in this regard *Golden International Navigation SA v Zeba Maritime Co Ltd*; *Zeba Maritime Co Ltd v MV Visvliet* 2008 (3) SA 10 (C) at p.14 to 15.

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Prepared on 12 October 2026 · Esheria