



**IN THE HIGH COURT OF SOUTH AFRICA
KWAZULU-NATAL LOCAL DIVISION, DURBAN**

Case No.: 3898/2022

In the matter between:

RENIAN DISTRIBUTORS (PTY) LTD

APPLICANT

and

CROWN FOOTWEAR (PTY) LTD

FIRST RESPONDENT

ZA CENTRAL REGISTRY NPC

SECOND RESPONDENT

and in the counter-application between:

CROWN FOOTWEAR (PTY) LTD

APPLICANT

and

RENIAN DISTRIBUTORS (PTY) LTD

FIRST RESPONDENT

REGISTRAR OF TRADE MARKS

SECOND RESPONDENT

ORDER

I grant the following order:

1. Partial cancellation and rectification is ordered of the Renian **OVERLAND** Trade Marks (as defined in paragraphs 3.5.1 to 3.5.4 of the founding affidavit of Mr. Arshad Yusuf Motala) registered in the name of Renian Distributors (Pty) Ltd (the first respondent in the counter-application), which are to be limited as follows in terms of section 27(1)(a) of the Trade Marks Act 194 of 1993:
 - 1.1. No. 2015/19096 **OVERLAND** in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for passenger vehicle, camping gear and accessories, and/or clothing, footwear and accessories;
 - 1.2. No. 2015/19092  in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for passenger vehicle, camping gear and accessories, and/or clothing, footwear and accessories;
 - 1.3. No. 2015/19066  in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for camping gear and accessories, and/or clothing, footwear and accessories; and
 - 1.4. No. 2003/00576 **OVERLAND LIQUOR WAREHOUSE** in relation to Business management, advertising, business administration, office functions offering for sale and the sale of liquor products in the retail and wholesale trade.

2. The order in paragraph 1 is deemed to operate from the date of registration of the trade marks referred to in sub-paragraphs 1.1, 1.2, 1.3, and 1.4.
3. The second respondent in the counter-application is directed to give effect to the order granted in paragraph 1 above.
4. The main application is dismissed.
5. The costs of the main application and the counter-application are awarded in favour of the applicant in the counter-application on the party and party scale, such costs to include the costs of two counsel, one of whom is a senior.

JUDGMENT

Dutton AJ

The litigation context

- [1] There are two applications before court. In summary, they are:
- (a) The main application brought by Renian Distributors (Pty) Ltd ("Renian"), in which Renian seeks to prevent Crown from making use in the course of its trade of the mark OVERLAND, or marks confusingly similar thereto, and ancillary relief.
 - (b) Crown Footwear (Pty) Ltd ("Crown") opposes the main application and, in addition, brings a counter-application in terms of s 27(1)(a) of the Trade Marks Act 1994 of 1993 ("the Trade Marks Act") for the partial cancellation of certain of the goods and services in respect of which Renian's trade marks have been registered.

[2] In both the main application and the counter-application, a second respondent is cited in their official and custodial capacities. In the main application, this is ZA Central Registry NPC; in the counter-application it is the Registrar of Trade Marks.

[3] Neither of the second respondents have opposed or are participating in the present litigation, and effectively abide the decision of the court.

The relief sought

[4] In the main application, Renian initially sought the following relief against Crown:

- (a) a declaratory order that Crown's use of the OVERLAND trade mark in relation to, *inter alia*, retail and wholesale services constitutes an infringement of Renian's registered trade marks as contemplated in s 34(1)(a) of the Trade Marks Act ("the declaratory relief");
- (b) an interdict restraining Crown from infringing Renian's trade marks as contemplated in s 34(1)(a) of the Trade Marks Act by using in relation to any of the services for which the trade marks are registered, the trade mark OVERLAND, or any other mark so nearly resembling Renian's trade marks, in relation to retail and wholesale services, as are to be likely to deceive or cause confusion ("the interdictory relief");
- (c) an interdict restraining Crown from passing-off its products and offerings as those of Renian through the use of the trade mark OVERLAND, or any other mark so nearly resembling Renian's trade marks, in relation to retail and wholesale services, as are to be likely to deceive or cause confusion ("the passing-off relief");
- (d) an order directing Crown to remove the OVERLAND trade mark from all its material, and where the mark is inseparable or incapable of being removed from any material, that such material is to be delivered-up to Renian ("the delivery-up relief"); and
- (e) an order directing Crown to transfer the domain name overlandsa.co.za to Renian ("the domain name transferral order").

[5] The initial relief was then attenuated for the following reasons:

- (a) It emerged in Crown's answering affidavit that until 2021, Crown was the proprietor of various trade mark registrations consisting of the word OVERLAND. These trademarks are referred to as "the Overland marks".
- (b) During the period November 2016 to October 2021, Crown licensed the use of the Overland marks to Overland Retail (Pty) Ltd. Under this license Overland Retail operated (and still operates) various Overland retail stores which sold (and still sell) Overland and other third party branded footwear, clothing and camping-related goods.
- (c) On 1 October 2021, Crown assigned the Overland marks to Overland Retail.
- (d) The assignment of the Overland marks from Crown to Overland Retail is currently pending formal recordal on the Register of Trade Marks.
- (e) Overland Retail, although not initially cited or joined as a party to the proceedings, filed an affidavit in terms of which it confirmed that it was aware of these proceedings and abides the decision of the Court.
- (f) Accordingly, as of 1 October 2021, Overland Retail has been the proprietor of the Overland marks, and is currently using these trade marks in relation to its business of selling outdoor footwear, clothing and lifestyle retail goods such as outdoor and camping equipment - Overland's interests therefore lie primarily in the outdoor lifestyle footwear and apparel industry, with an ancillary interest in related outdoor lifestyle goods such as outdoor and camping equipment.
- (g) In its replying affidavit in respect of the main application (which also constituted the answering affidavit in the counter-application), and in the light of the assignment of Crown's trade marks to Overland Retail, Renian then altered its stance to be that while it accepted that *"there is no longer a need for the applicants to seek the relief outlined in prayers 1 to 4 in the notice of motion, it is certainly so that the applicant is entitled to a declaratory order confirming the fact of Crown Footwear's infringing conduct and an inquiry into damages."*

[6] Therefore, Renian persists with seeking the declaratory relief and the domain name transferral order.

The relevant facts

[7] The essential relevant common cause or undisputed facts of the matter are uncomplicated, and can be summarised as follows:

- (a) Renian is a wholesaler and retailer of various products, including but not limited to, the following goods:
- (i) Alcoholic beverages;
 - (ii) Cooler bags;
 - (iii) Food stuffs, including poultry products, meat, fish, rice, pasta, pastries;
 - (iv) Braai accessories, including charcoal, brickettes, braai wood, firelighters, tongs, lighters, grids, portable braais;
 - (v) What Renian referred to as "camping products", consisting of items such as paraffin stoves, candles, flasks;
 - (vi) Cooking products, including flour, sugar, salt, butter, cooking oil;
 - (vii) Medicinal items, including panado, berocca, grandpas;
 - (viii) Coffee and tea;
 - (ix) Confectionery products and chips;
 - (x) Soft drinks and energy drinks;
 - (xi) Hygiene and cosmetic products;
 - (xii) Cleaning products, including brooms, mops, dustbins, cloths;
 - (xiii) Bar accessories, including glassware, plastic cups, plastic carry bags, ice bags;
 - (xiv) Kitchen equipment, including knives, kettles, glassware, stainless steel cups;
 - (xv) Lighting products; and,
 - (xvi) Tobacco and related products, including cigarettes and electronic cigarettes (including accessories).

[8] Renian is also a franchisor of Overland Liquors, SPOT ON, LiquorZone, and Picaroon's Lounge brands, which trade in liquor products.

[9] Renian is the registered proprietor of various trade marks, all of which bear the assignation "OVERLAND" in various forms. It is these trade marks which form the subject matter of the application.

[10] Overland's business is one hundred percent retail and its customer base comprises of outgoing clothing consumers and active outdoor adventurers, who are predominantly middle to upper-class consumers.

[11] Renian's interests, on the other hand, lie in the "food and beverage industry", and its business "is eighty percent wholesale and twenty percent retail".

[12] Neither Renian nor any of its franchise stores trade in lifestyle and outdoor footwear, clothing and accessories.

[13] Therefore, the only goods in respect of which there is any potential overlap are in respect of cooler bags, braai accessories, braai wood, firelighters, tongs, lighters, grids, portable braais, paraffin stoves, candles, flasks, knives, kettles, stainless steel cups and lighting products.

[14] Although not decisive of the applications, it is worth noting that these goods, however, are not Renian's primary goods of interest.

[15] The location of the stores operated by Renian and Crown are also relevant. The parties trade from entirely different geographical locations, have different trade channels and consumer groups and target different demographics with their respective goods.

[16] Renian's stores are located in informal rural/urban locations, either as wholesale standalone cash and carry stores, or in predominantly informal roadside shopping clusters, either as liquor stores or a small express supermarket. The stores target informal traders, spaza shops, small supermarkets, hawkers, stokvels and the weekly household shopper.

[17] Overland stores, on the other hand, are located in either prominent and/or suburban indoor retail shopping malls or prominent and/or suburban outdoor retail shopping centres and target outgoing clothing consumers and active outdoor adventurers.

The order in which the applications will be considered

[18] It was contended that the relief sought by Crown in the counter-application has a material bearing on the remaining relief sought by Renian in the main application.

As such, Crown submitted that it would be appropriate for the counter-application to be heard before the main application.

[19] Crown further submitted that it is, in any event, customary in trade mark cases where a counter-application has been brought (which challenges the very trade marks on which the main application is based) for the counter-application to be heard before the main application.

[20] In argument, the parties were in agreement that the counter-application would be heard before the main application.

[21] Since the relief sought by Crown in the counter-application has a material bearing on the remaining relief sought by Renian in the main application, I propose dealing in this judgment with the two applications in the order in which they were argued.

The issues

[22] The issues to be decided in respect of the counter-application are:

- (a) Whether Crown has the necessary locus standi to institute the counter-application.
- (b) Whether the trade mark register should be rectified by limiting the specification of Renian's trade marks and, if so, the nature of such limitation.
- (c) If the register should be rectified, whether the rectification order should operate retrospectively to the date on which Renian's trade marks were filed.

[23] In respect of the main application, the issues are:

- (a) whether Crown's historic use of the Overland trade mark infringed Renian's trade marks (as rectified and if ordered to be retrospective) in terms of s 34(1)(a) of the Trade Marks Act; and
- (b) whether Renian has made out a case for the domain name transferral order.

Locus standi in terms of s 27(1)(a) of the Trade Marks Act

[24] Renian contends that Crown lacks locus standi to bring the counter-application due to Crown no longer being the proprietor of the OVERLAND marks, having no

further interest in the OVERLAND trade mark, and having no intention of using the mark.

[25] Crown's counter-application is based on s 27(1)(a) of the Trade Marks Act, which reads as follows:

'27 Removal from register on ground of non-use

(1) Subject to the provisions of section 70 (2), a registered trade mark may, on application to the court, or, at the option of the applicant and subject to the provisions of section 59 and in the prescribed manner, to the registrar by any interested person, be removed from the register in respect of any of the goods or services in respect of which it is registered, on the ground either-

(a) that the trade mark was registered without any *bona fide* intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or any person permitted to use the trade mark as contemplated by section 38, and that there has in fact been no *bona fide* use of the trade mark in relation to those goods or services by any proprietor thereof or any person so permitted for the time being up to the date three months before the date of the application;'

"Interested person"

[26] Section 27(1)(a) therefore entitles any "*interested person*" to apply to a court or to the Registrar of Trade Marks for the expungement of a registered trade mark in respect of any of the goods or services in respect of which it is registered, if the trade mark was registered without any *bona fide* intention to use it and there has not in fact been any *bona fide* use thereof.

[27] It is apparent from the provisions of s 27(1)(a) that any "*interested person*" will have locus standi to apply for rectification of the register in terms of that subsection.

Relevance and meaning of "person aggrieved" under the repealed Trade Marks Act

[28] Section 36(1)(a) of the repealed Trade Marks Act 62 of 1963 provided that "*any person aggrieved*" may apply for the removal of a trade mark on the grounds that it

was registered without any *bona fide* intention to use the mark, and there has in fact been no *bona fide* use thereof.

[29] In *South African Football Association v Sandton Woodrush (Pty) Ltd and Another* 2002 (2) SA 263 (T), Spoelstra J held that the change of wording of “*person aggrieved*” in the repealed Trade Marks Act to “*interested person*” in the current Trade Marks Act is of no real significance. The decisions that consider the term “*person aggrieved*” under the repealed Trade Marks Act therefore remain relevant and can provide guidance to the question of whether a person is an “*interested person*” under the current Trade Marks Act.

[30] The definition of a “*person aggrieved*” under the repealed Trade Marks Act was considered in a number of decisions, including *Ritz Hotel Ltd v Charles of the Ritz Ltd and Another* 1988 (3) SA 290 (A); *Mars Incorporated v Candy World (Pty) Ltd* 1991 (1) SA 567 (A) and *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd and Another* 1991 (4) SA 850 (A).

[31] The following principles can be distilled from those authorities:

- (a) A wide and liberal interpretation is given to the term “*person aggrieved*”.
- (b) The persons who are aggrieved are all persons who are in some way or other substantially interested in having the trade mark removed from the register.
- (c) The onus rests upon the applicant for removal to establish, as a reasonable possibility, that it is a person aggrieved. For this purpose, it is assumed that the trade mark is wrongly on the register.
- (d) In *Ritz Hotel*, Nicholas AJA stated that those persons who are substantially interested in having a mark removed might include all persons who would be “*substantially damaged*” if the mark remained on the register, and “*all trade rivals over whom an advantage was gained by a rival trader who was getting the benefit of a registered trade mark to which he was not entitled*” (at 308A-B).
- (e) ‘Nicholas AJA 307G-308D considered the meaning of a “*person aggrieved*”:
‘In an application to rectify the register, whether under s 33(1) or under s 36(1) of the Act, it is a prerequisite that the applicant should be a “*person aggrieved*”. The question here is merely one of *locus standi*, and it must be approached on the assumption,

which is necessary to answer it, that the trade mark is wrongly on the register. (*In re Apollinaris Companies' Trade Mark* [1891] 2 Ch 186 (CA) per Fry LJ at 224.)

The Courts have given a wide and liberal interpretation to the expression "person aggrieved". (See for example the *Apollinaris* case *supra* at 224 - 5; *William Powell v The Birmingham Vinegar Brewery Co Ltd* 1894 AC 8; '*Daiquiri Rum*' Trade Mark 1969 RPC 600 (HL) at 615.) It was observed in the *Apollinaris* case (at 225) that the words are not to be so read as to make evidence of great and serious damage a condition precedent to the right to apply.

The effect of the decided cases is summarised in Kerly's *Law of Trade Marks and Trade Names* 11th ed in s 11-07 as follows. The persons who are aggrieved are all persons who are in some way or other substantially interested in having the mark removed from the register; including all persons who would be substantially damaged if the mark remained, and all trade rivals over whom an advantage was gained by a rival trader who was getting the benefit of a registered trade mark to which he was not entitled. See also Halsbury's *Laws of England* 4th ed vol 48 s 225.

The case of the trade rival is only one case of a person who is substantially interested in having the mark removed from the register. There are others. Thus, in the *Apollinaris* case *supra* it was held at 228 - 9 that when one trader uses the fact of registration as any part of his case against any other trader in any legal proceedings, that second trader is aggrieved. Kerly (*ubi cit*) states that an alleged infringer of a mark is always a person aggrieved by its registration. (But this requires qualification: cf *Lever Brothers, Port Sunlight Ltd v Sunnwhite Products Ltd* [1949] 66 RPC 84 at 101.) In *Ernest Marshall's Application* [1943] 60 RPC 147 at 151 *in fin*, it was held by the Comptroller-General that where a registered trade mark is the basis of the opposition to his own application for registration, the applicant for rectification is clearly a person aggrieved.'

- (f) The principle in *Lever Brothers, Port Sunlight Ltd v Sunnwhite Products Ltd* [1949] 66 RPC 84 at 101 referred to by Nicholas AJA in essence relates to the scope of a counter-attack which an alleged infringer may bring against the registered trade mark proprietor. In this regard, an alleged infringer may only seek to remove the trade mark he is set to have infringed "*and not other trademarks of the proprietor not brought in issue*". The *Lever Brothers* principle therefore has no application in this matter, since Crown, as the alleged infringer, only seeks to restrict the trade marks it is set to have infringed, and only to the extent it is alleged to have infringed it, and not other trade marks of Renian not brought in issue.

- (g) In *In re Apollinaris Companies' Trade Mark* the English Court of Appeal held inter alia that an alleged infringer of a trade mark is always a person aggrieved by its registration. Fry LJ at 228-229 said:

'In our opinion, when one trader uses the fact of registration as any part of his case against another trader in any legal proceedings, that second trader is aggrieved, and this is not the less so because that trader may have other means of defending himself. If the owner of the registered trade-mark says to a defendant in a litigation, "I am the owner of this registered trade-mark, and, therefore you are doing me a wrong," the person attacked ought to be at liberty to reply two things: first "You ought not to be on the register," and, secondly "Even if you ought, I have done you no wrong."

[32] The trader who is alleged to have infringed may therefore attack the validity of the particular monopoly which he is alleged to have infringed, in addition to denying that he had infringed it. The scope of the counter-attack may thus be as wide as the assault which has provoked it.

[33] In *William Powell v The Birmingham Vinegar Brewery Company Limited* [1894] AC 8, the House of Lords considered the qualification of "*aggrieved persons*" for the purposes of s 90 of the 1883 Act. Lord Watson remarked as follows at 12:

'In my opinion any trader is, in the sense of the statute, "aggrieved" whenever the registration of a particular trade-mark operates in restraint of what would have otherwise have been his legal rights. Whatever benefit is gained by registration must entail a corresponding disadvantage upon a trader who might possibly have had occasion to use the mark in the course of his business. It is implied, of course, that the person aggrieved must manufacture or deal in the same class of goods to which the registered mark applies, and that there shall be a reasonable possibility of his finding occasion to use it. But the fact that the trader deals in the same class of goods and could use it, is *prima facie*, sufficient evidence of his being aggrieved, which can only be displaced by the person who registered the mark, upon whom the onus lies, showing that there is no reasonable probability that the objector would have used it, although he was free to do so.'

[34] In the present matter, Renian has used the fact of registration as part of its case against Crown and, accordingly, Crown is aggrieved. The fact that Crown assigned its rights to the trade marks does not preclude it from having *locus standi* to approach this Court, because the registration of the trade marks in question operate in restraint of

what would otherwise have been Crown's legal rights - the benefit gained by Renian's registration had a corresponding disadvantage to Crown. In essence, to paraphrase the passage by Romer J in *Lever Brothers* at page 100 at lines 50 to 55, Renian says to Crown in this litigation:

'I am the owner of this registered trade mark and therefore you have done me a wrong.'

Crown is therefore at liberty to reply:

'First, you ought not to be on the register - at least to the extent alleged by you.'

[35] Finally, there is another reason why Crown is an interested person as contemplated in s 27(1)(a). It is common cause that Crown remains the owner and operator of the domain name overlandsa.co.za. Renian relies on its trade marks to contend that Crown's domain name is an abusive domain name, and seeks an order that the domain name be transferred to it. From this perspective, too, Crown has a substantial interest in the rectification of Renian's trade marks, and is at liberty to challenge the scope of Renian's registration.

[36] I am therefore of the view that Crown has locus standi to bring its counter-application.

Should the trade mark register be rectified and, if so, to what extent?

[37] Section 27 of the Trade Marks Act provides that a registered trade mark may, on application to the Court, be removed from the register in respect of any of the goods or services in respect of which it is registered, on the ground that the trade mark was registered without any *bona fide* intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or any person permitted to use the trade mark, and that there has in fact been no *bona fide* use of the trade mark in relation to those goods or services by any proprietor thereof or any person so permitted for the time being up to the date three months before the date of the application.

[38] Section 27 therefore has two prerequisites for the removal from the register of a portion of Renian's trade mark:

- (a) that the trade mark was registered without any *bona fide* intention on the part of Renian that it should be used in relation to those goods or services, and

- (b) that there has in fact been no *bona fide* use of the trade mark in relation to those goods or services by Renian or by any persons permitted by Renian to use the trade mark.

The onus in terms of s 27 of the Trade Marks Act

[39] The onus of proving that the trade mark was registered without any *bona fide* intention to use it lies on the applicant for rectification, in this case being Crown.

[40] In respect of relevant use of the trade mark, however, s 27(3) provides:

‘In the case of an application in terms of paragraph (a) or (b) of subsection (1) the onus of proving, if alleged, that there has been relevant use of the trade mark shall rest upon the proprietor thereof.’

[41] Relevant use of the trade mark is therefore for Renian to establish. The goods in respect of which Renian trades have been itemised above; the question which arises is the extent to which use has been made of Renian’s trade marks and, flowing from that, whether a portion of Renian’s trade marks should be expunged in terms of s 27.

Absence of bona fide intention to use

[42] The approach to be adopted in assessing whether there was *bona fide* intention to use the trade marks in question was dealt with in *Victoria's Secret Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A) at 743-745. The court considered ss 20(1) and (4) of the repealed Trade Marks Act, which provided:

‘(1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him and who is desirous of registering it, shall apply to the registrar in the prescribed manner for registration and the application shall be accompanied by the fee prescribed.

...

(4) Subject to the provisions of this Act, the registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may deem fit.’

[43] Nicholas AJA at 744H-745F dealt with the application of s 20 as follows:

'In terms of s 20(1) one can claim to be the proprietor of a trade mark if one has appropriated a mark for use in relation to goods or services for the purpose stated, and so used it. (I use the verb *appropriate* in its meaning of "to take for one's own".)

...

The meaning of the verb *propose* which is relevant in the context is that given by *The Shorter Oxford English Dictionary* in definition 3b, namely

"to put before one's own mind as something that one is going to do; to design, purpose, intend".

The word was introduced into English trade marks legislation in s 3 of the Trade Marks Act 1905. (See Kerly *Law of Trade Marks and Trade Names* 12th ed para 2-04 at 7.)

...

In *Imperial Group Ltd v Philip Morris & Co Ltd* [1982] 8 FSR 72 (CA) Shaw LJ observed at 82 that:

"Where the mark for which registration is sought is one not already in use but "*proposed*" to be used in relation to goods for the purpose of indicating ... a connexion in the course of trade between the goods and some person having the right ... to use the mark", the existence of this element has to be taken on trust when the application for registration is put forward."

Where however the question of proprietorship is in issue, there must be borne in mind the guidelines to the meaning of "proposed to be used" which were given in the judgment of Lord Hanworth MR in *In re Ducker's Trade Mark* [1929] 1 Ch 113 (CA) ([1928] 45 RPC 105) at 121, namely

"... a man must have an intention to deal, and meaning by the intention to deal some definite and present intention to deal, in certain goods or descriptions of goods. I agree that the goods need not be in being at the moment, and that there is futurity indicated in the definition; but the mark is to be a mark which is to be definitely used or in respect of which there is a resolve to use it in the immediate future upon or in connection with goods. I think that the word "proposed to be used" mean a real intention to use, not a mere problematical intention, not an uncertain or indeterminate possibility, but a resolve or settled purpose which has been reached at the time when the mark is to be registered."

[44] The *Victoria's Secret* case was applied by Southwood, J to s36(1)(a) of the repealed Trade Marks Act, which was the predecessor to s 27(1)(a) of the current Trade Marks Act (with almost identical wording) in *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald's Corporation v Dax Prop CC;*

McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd (unreported judgment in the TPD dated 5 October 1995).

[45] Southwood J also commented as follows at 52:

'Non-use for long periods of time such as ten, twenty or even twenty-five years, is obviously highly relevant to the question of *bona fide* intention to use the trade mark and the absence of a satisfactory explanation would justify an inference adverse to the proprietor of the trade marks.'

[46] Southwood J concluded that McDonalds, which had filed trade mark applications in 1968, 1974, 1979, 1980 and 1985, but had not used any of its registered trade marks by 1993 when the expungement proceedings were instituted, had no *bona fide* intention to use its marks.

[47] It should be noted that an appeal against the decision of Justice Southwood was upheld in *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another*; *McDonald's Corporation v Dax Prop CC and Another*; *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC and Another*; *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another* 1997 (1) SA 1 (A); however, the Supreme Court of Appeal did not disturb the reasoning of Southwood J in regard to the dicta referred to above.

[48] In any event, more fundamentally, I am satisfied that the architecture of the Trade Marks Act supports the approach by Lord Hanworth MR in *In re Ducker's Trade Mark* [1929] 1 Ch 113 (CA) as being appropriate when assessing intention in terms of s 27(1)(a). The Trade Marks Act contemplates a correlation between the initial act of registration of the trade mark, and the subsequent application for restriction of the scope of the registration through rectification of the register in terms of s 27. Both processes require the same intention of the proposed use of the trade mark by the proprietor. However, as Lord Hanworth stated, the connection in the course of trade between the goods and some person having the right to use the mark is taken on trust when the application for registration is put forward. When an application for rectification is brought, however, it may become necessary for that assumed connection to be scrutinised (as it does in this case). At that stage, the intention of the

proprietor is assessed with the benefit of hindsight, and on a proper consideration of the relevant facts. Southwood J's comments in respect of non-use for long periods of time being highly relevant to the question of *bona fide* intention to use the trade mark, and the absence of a satisfactory explanation justifying an inference adverse to the proprietor of the trade mark, seem entirely appropriate to such assessment.

[49] It is therefore at the stage that the application for rectification is brought that the trade mark must be shown to be one which at the registration stage there was a "*resolve to use it in the immediate future*", and what must be shown to have existed was "*a real intention to use, not a mere problematical intention, not an uncertain or indeterminate possibility, but a resolve or settled purpose*" which had been reached at the time when the mark was registered.

[50] In the present matter, it is common cause that both *bona fide* intention to use and actual use has been shown in respect of a wide range of items – the issue to be addressed is whether there is a coherent category of goods in respect of which there has been non-use, and as a corollary no *bona fide* intention to use, resulting in the registration being overbroad, and as a consequence of which expungement may be granted. Before addressing that issue, however, the question of the expungible category of goods in respect of which non-use is alleged must be considered.

The expungible category of goods in respect of which non-use has been shown

[51] In addition to the lack of *bona fide* intention to use the goods and the lack of actual use of the goods expressly required by s 27, the category of goods in respect of which expungement for non-use is sought must be clearly identified; indeed, this requirement is properly considered to be anterior to the other two requirements.

[52] In *Arjo Wiggins Ltd v Idem (Pty) Ltd and Another* 2002 (1) SA 591 (SCA), the Supreme Court of Appeal considered an expungement application in terms of s 27 of the Act and stated as follows.

'[19] ...

'If the Court or Registry decides that there has been genuine use but only on a particular item or in relation to a particular service, the first question is whether the specification extends unduly beyond the item or service? If so, the inquiry is this: how

would the notional reasonable man describe that item? Naturally, the answer depends on all the circumstances, but the answer provides the wording appropriate for that item in the specification of goods.'

...

'[20] ... Those questions are not reached since, even accepting that an applicant for expungement is *prima facie* entitled to removal of the mark from the register once non-use of a category of goods is shown (as this Court decided under the 1963 statute), and that the Court's residual discretion would deny one so entitled a remedy only in exceptional circumstances, the anterior question is: in regard to what expungible category of goods has non-use been shown? That question is primary and it must be answered before the Court can determine the ambit of the expungement the applicant seeks.

[21] Unless, therefore, it is evident to the Court (or the applicant lays a foundation suggesting) that the expungement sought describes a commercially coherent category of goods within the existing specification, the relief the applicant seeks cannot be granted if the proprietor has proved relevant use within the category. That is the position in the present case, where, in sum, the proprietor proved relevant use of its trade mark within a protected category and there is nothing to show that sustaining its registration in respect of that category would not make commercial sense. (Footnotes omitted).'

[53] Therefore, where the proprietor has established genuine use of its trade mark in at least a subset of a category expressly protected in the specification, this requires an assessment of whether the specification extends unduly beyond the item or service which is used. If so, the restriction on the item sought through the expungement must describe a commercially coherent category of goods within the existing specification in respect of which the expungement will be granted, failing which the relief sought by the applicant cannot be granted. This will entail an evaluation of whether it would be commercially nonsensical to maintain registration of the mark as registered, or whether registration should be restricted to reflect the use by the proprietor of the particular subset.

A commercially coherent category

[54] Undoubtedly, Renian has established genuine use within the specification; that much is common cause. Crown, however, effectively contends that non-use has been shown in respect of an expungible category of goods, and that the current registration therefore affords to Renian a statutory monopoly on the word OVERLAND in respect of a wide range of services including “the offering for sale and the sale of goods in the retail and wholesale trade”, which is susceptible to restriction in terms of s 27.

[55] The argument advanced by Crown is that Renian only uses and only ever intended to use its trade marks in respect of the offering for sale and the sale of “liquor and fast-moving consumer goods” in the retail and wholesale trade. The reference to “fast-moving consumable goods” is unfortunate for the following reasons:

- (a) The precise meaning of “fast-moving consumable goods” is never set out with any clarity by Crown. The expression is not a term of art, with a well-defined and specialised meaning within intellectual property law, and one is left with no clear understanding of which products would be “fast-moving”, or “consumable”.
- (b) There is therefore a consequent failure on the part of Crown to draw a clear and well-defined dividing line between the expunged portion of the trade mark and the extant portion, and consequently no clearly identified expungible category of goods as required by *Arjo Wiggins*.
- (c) The enquiry does not end there, however. In addition to Crown seeking to restrict Renian’s use of its trade marks to the category of liquor and fast-moving consumable goods, it refers two other categories of goods, being camping gear and accessories, and/or clothing, footwear and accessories.
- (d) The reference to camping gear and accessories, and/or clothing, footwear and accessories accords with the categories of goods in which Crown in fact traded and Overland now trades. The categories of “camping gear and accessories” and “clothing, footwear and accessories”, in contrast to “fast-moving consumable goods” are clearly defined expungible categories which would meet the test in *Arjo Wiggins*.
- (e) The restriction of Crown’s use of its trade mark to exclude “camping gear and accessories, and/or clothing, footwear and accessories” would be sufficient to accurately limit Renian to the trading activities which it in fact undertakes. The

additional reference to liquor and/or fast-moving consumable goods therefore, to my mind, simply imports an unnecessary complication into the defined limitation.

- (f) In addition, restricting Renian to trading in fast-moving consumable goods would go too far, since Renian clearly trades in goods which on the face of it do not fall within the definition of “fast-moving consumable goods”.

[56] Renian seeks to establish trade in respect of camping goods by pointing to its sale of such items as paraffin stoves, flasks, stainless steel cups and candles, which are described as “camping products”. All of these items however can and are routinely used for a variety of residential, occupational and recreational purposes, and to my mind it is entirely artificial and self-serving to describe them as “camping products”. Renian has in this regard failed to establish any acceptable level of use in respect of camping gear and accessories, and no trade at all in clothing, footwear and accessories.

[57] I am also satisfied that, bearing in mind the identity of Renian’s customer base and the general nature of goods sold by Renian and Crown, the goods traded by Crown are “commercially quite different” from those traded by Renian, and I am similarly of the view that it would be commercially nonsensical to maintain registration of the full scope of Renian’s trade marks in the circumstances.

[58] I am also satisfied that the test set out in *Mercury Communications Ltd v Mercury Interactive (UK) Ltd* [1995] FSR 850 (ChD) at 864 and accepted in *Arjo Wiggins* paragraph 17, “where Laddie J postulated that a specification should be cut down where it covers goods which are ‘quite unrelated’ to a proprietor’s ‘real trading interests’”, is met, since camping gear and accessories, and/or clothing, footwear and accessories are, to my mind, quite unrelated to Renian’s real trading interest.

[59] I therefore find that although there has been genuine use by Renian of certain of the goods described in the register, such trade does not include camping gear and accessories, and/or clothing, footwear and accessories. I am accordingly satisfied that the notional reasonable person would describe Renian’s trade as excluding those subsets, and that the register should be amended accordingly.

Should the rectification order operate retrospectively to the date on which Renian's trademarks were filed?

[60] In addressing the question of whether Crown's historic use of the Overland trade mark infringed Renian's trade marks, the following considerations apply:

- (a) Renian applied to register its trade marks in which the specifications were overbroad and included services which it did not, and had no intention to, render. In particular, Renian applied to register its trade marks in relation to retail and wholesale services of any and every conceivable type of product, whereas Renian did not intend using the marks in relation to the retail of camping goods, clothing and footwear.
- (b) Renian has also not, since the registration of its trade marks, used the marks in relation to camping goods, clothing and footwear.
- (c) I was referred to the decision of *Roodezandt Ko-Operatiewe Wynmakery Ltd v Robertson Winery (Pty) Ltd and Another* [2014] ZASCA 173. In that case, Brand JA elected not to order the removal of a trade mark under s24 of the Trade Marks Act, and he drew an analogy to the administrative law principle in *Oudekraal Estates (Pty) Ltd v Cape Town and Others* 2004 (6) SA 222 (SCA). In essence, this principle dictates that, since administrative decisions are often acted upon on the supposition that they were validly taken, they are accepted as valid until challenged and set aside by a competent court. Whether or not the particular decision was indeed valid is of no consequence. Until challenged and set aside, its validity is accepted as a fact.
- (d) In considering *Robertson Winery*, one must be cautious of reading into the remarks by Brand JA the importation of an inflexible legal principle from a different area of law. Two factors clearly militate against this:
 - (i) Firstly, s 28(1) of the Trade Marks Act clearly empowers a court to order that the removal or rectification of a trade mark should operate from an earlier date than the date of application for removal or rectification. The section reads as follows:
'28 Date of removal and partial removal
 (1) Any order granted by the registrar or the court in relation to any entry in or omission from the register shall be deemed to operate from-
 (a) the date of the application for such order; or

- (b) if the registrar or the court, as the case may be, is satisfied that grounds for such order existed at an earlier date, that date.'
- (ii) Secondly, the true basis for Brand JA's decision was that he was concerned that such an order "may lead to consequences which could be substantially unfair." (See para 14.)
- (e) I am therefore of the view that in *Robertson Winery* Brand JA simply found that, on the facts and circumstances before him, there was no basis to order that the removal of the trade mark in question should operate from a date earlier than the date of the application for removal. I am accordingly of the view that *Robertson Winery* is not authority for the proposition that a court can never order that the removal or rectification of a trade mark should operate from a date earlier than the application for removal or rectification.
- (f) The position, therefore, is that a court is empowered to grant an order in relation to the entry in the register which shall be deemed to operate from an earlier date, if the court is satisfied that valid grounds for such order exist.
- (g) In my view, fairness (the measure which Brand JA applied in *Robertson Winery*) dictates that in this case the effective date should be the date of registration of Renian's trade marks. This is so because Renian has been quite unabashed in its replying affidavit in indicating that the reason it persists in seeking the declaratory relief notwithstanding the assignment of rights to Overland Retail is in order to "to confirm the fact of Crown Footwear's infringing conduct and an enquiry into damages". It would fundamentally offend one's sense of fairness to allow such a claim for damages to be brought in circumstances where Renian never had a *bona fide* intention that the trade marks should ever be used in relation to the goods or services in question, that there has in fact been no *bona fide* use of the trade mark in relation to those goods or services by Renian, but that a claim for damages could be pursued on the basis that the expungement order was not made retroactive to the date of registration. On the contrary, it is my view that the facts of this case fall squarely within the provisions of s 28(1)(b) in that clear grounds exist for the order to operate from an earlier date, and that this is an example *par excellence* of an occasion on which retrospective operation of the expungement relief should be granted.

The effect of granting the relief set out in the counter-application

[61] Since the relief sought in the counter-application is granted, it follows that the declaratory relief sought in the main application cannot be granted.

[62] The declaratory relief sought by Renian is founded on the contention that Crown infringed its trade marks as contemplated in s 34(1)(a), which relates to the situation where an alleged infringer uses the registered mark, or a mark confusingly similar thereto, in relation to the services in respect of which the registered trade mark is validly registered (i.e. identical services).

[63] However, the services in relation to which Crown used the Overland marks (i.e.: the retail of outdoor footwear, clothing and camping goods) are not identical to the services in relation to which Renian actually uses its trade marks, and to which they are to be subsequently limited (i.e. the retail and wholesale of goods excluding outdoor footwear, clothing and camping goods; or liquor products).

[64] It follows from the success of the counter-application that since Renian's trade marks are to be rectified to limit them to the services in relation to which Renian intended to use its marks and actually uses its marks, then Renian's claim for a declarator that Crown infringed its rights in terms of s 34(1)(a) cannot be sustained. This reasoning applies equally to the domain transferral order sought.

Costs

[65] This result reflects substantial success for Crown, which is entitled to an appropriate costs order in its favour.

Order

[66] In the circumstances, I grant the following order:

1. Partial cancellation and rectification is ordered of the Renian **OVERLAND** Trade Marks (as defined in paragraphs 3.5.1 to 3.5.4 of the founding affidavit of Mr. Arshad Yusuf Motala) registered in the name of Renian Distributors (Pty) Ltd (the first respondent in the counter-application), which

are to be limited as follows in terms of section 27(1)(a) of the Trade Marks Act 194 of 1993:

- 1.1. No. 2015/19096 **OVERLAND** in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for passenger vehicle, camping gear and accessories, and/or clothing, footwear and accessories;
 - 1.2. No. 2015/19092  in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for passenger vehicle, camping gear and accessories, and/or clothing, footwear and accessories;
 - 1.3. No. 2015/19066  in relation to Advertising; business management; business administration; office functions; offering for sale and the sale in the retail and wholesale trade; none of the foregoing for camping gear and accessories, and/or clothing, footwear and accessories; and
 - 1.4. No. 2003/00576 **OVERLAND LIQUOR WAREHOUSE** in relation to Business management, advertising, business administration, office functions, offering for sale and the sale of liquor products in the retail and wholesale trade.
2. The order in paragraph 1 is deemed to operate from the date of registration of the trade marks referred to in sub-paragraphs 1.1, 1.2, 1.3, and 1.4.
 3. The second respondent in the counter-application is directed to give effect to the order granted in paragraph 1 above.

4. The main application is dismissed.
5. The costs of the main application and the counter-application are awarded in favour of the applicant in the counter-application on the party and party scale, such costs to include the costs of two counsel, one of whom is a senior.


Dutton AJ

Judgement reserved:

27 October 2023

Judgment delivered:

1 February 2024

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Ref: BAR/SM/03C007063