



**HIGH COURT OF SOUTH AFRICA
(GAUTENG DIVISION, PRETORIA)**

(1) REPORTABLE: NO.
(2) OF INTEREST TO OTHER JUDGES: NO
(3) REVISED. ✓
DATE: 30/9/2023
SIGNATURE [REDACTED]

Case no. 2023/021399

In the application between:

UNITED STATES POLO ASSOCIATION

Applicant

and

**LA GROUP (PTY) LTD
REGISTRAR OF TRADEMARKS**

First Respondent
Second Respondent

IN RE:

LA GROUP (PTY) LTD
and

Applicant

**UNITED STATES POLO ASSOCIATION
REGISTRAR OF TRADEMARKS**

First Respondent
Second Respondent

JUDGMENT

The judgment and order are published and distributed electronically.

PA VAN NIEKERK AJ

INTRODUCTION:

- [1] Applicant is the UNITED STATES POLO ASSOCIATION ("USPA") an association incorporated in the United States of America and which is the registered holder in South Africa of trademark registration 2004/22370 US POLO ASSOCIATION ("the trademark").
- [2] First Respondent is LA GROUP (PTY) LTD ("LA Group"), a company duly incorporated in terms of the Laws of the Republic of South Africa with principal place of business in the Western Cape, South Africa.
- [3] Second Respondent is the REGISTRAR OF TRADEMARKS, joined in her official capacity and no relief is sought against Second Respondent in this application.
- [4] LA Group and USPA are presently engaged in pending litigation in this Court under case no. 48200/18 wherein LA Group *inter alia* seeks an order for the removal from the register of trade marks the trademark held by USPA. In that litigation LA Group relies on Section 24(1) read with sub-sections 10(12), 10(14) and 10(17) of the Trade Marks Act 194 Of 1993 ("the Act").
- [5] On 7 March 2023 LA Group launched a separate substantive application to this Court under case no. 2023/021399 wherein USPA was joined as First Respondent and the Registrar of Trademarks was joined as Second Respondent. In this application

(hereinafter referred to as "the main application") the primary relief claimed by LA Group is framed as follows in the Notice of Motion namely:

- "1. directing the second respondent to rectify the register of trademarks by removing trademark registration no. 2004/22370 US POLO ASSOCIATION in the name of the first respondent in terms of section 24(1) read with sections 10(3), 10(7) and/or 10(12) of the trademarks act, 194 of 1993".

USPA has not yet filed any Opposing Affidavit to the main application. The trademark which LA Group seeks to remove from the register described in the Notice of Motion as quoted *supra* in the main application is the same trademark which LA Group seeks to remove from the register in the proceedings under case no. 48200/18 referred to *supra*. However, as is evident from the contents of paragraph 1 of the Notice of Motion in the main application as quoted *supra* it is clear that in the main application LA Group relies on the provisions of sub-sections 10(3), 10(7) and/or 10(12) of the Act which are different to sub-sections 10(12), 10(14) and 10(17) relied upon by LAG in the proceedings under case no. 48200/18¹.

- [6] It is thus clear that in the proceedings under case no. 48200/18 as well as the main application LA Group seek the same relief namely the removal from the register of Trademarks, trademark 2004/22370 US POLO ASSOCIATION and in both such matters the parties are the same and in both such matters LA Group relies on Section 24(1) of the Act with the only difference being that in the two respective matters LA Group relies on different sub-sections of Section 10 of the Act.

¹ Although section 10(12) are relied upon by LAG in case no. 48200/18 as well as the main application, it is evident that section 10(12) of the Act contains two alternative grounds.

[7] When served with the main application USPA elected not to file an Opposing Affidavit but launched this interlocutory application and in the Notice of Motion claims the following relief:

- "1. (a) *directing that the application made by LA Group (Pty) Ltd ("LA Group") under case no. 2023/021399 for the rectification of the register of trademarks by the removal therefrom of trademark registration no. 2004/22370 US POLO ASSOCIATION in the name of USPA, in terms of s24(1) read with ss10(3), 10(7) and/or 10(12) of the Trade Marks Act, 194 of 1993 ("the main application") be dismissed, with costs, on the ground that it constitutes an abuse of process;*
- (b) *alternatively, in the event that the relief sought in prayer 1(a) above not be granted, directing that the main application be stayed pending the final determination of the proceedings in case no. 48200/18, and*
- (c) *further alternatively, in the event that the relief sought in neither paragraphs (a) nor (b) above not be granted, granting USPA a period of 15 (fifteen) days from the date of this determination within which to deliver its answering affidavit in the main application."*

[8] This Court is called upon to decide whether USPA should be granted the relief as claimed in prayers 1(a) or 1(b) of the Notice of Motion in the interlocutory application. It was common cause that prayer 1(c) be granted in the event of USPA not being successful with the relief claimed in terms of prayers 1(a) and/or 1(b).

[9] In summary, it was submitted on behalf of USPA that the main application constitutes an abuse of the procedures, alternatively that the main application should be stayed on the plea of *lis alibi pendens*, further alternatively that in the event of neither prayer 1(a) nor

1(b) of the Notice of Motion in the interlocutory application being granted, that USPA be granted a period of 15 days to file an Answering Affidavit in the main application.

[10] On the issue of abuse, it was submitted in the Founding Affidavit filed on behalf of USPA in support of the interlocutory application that the following facts are supportive of the conclusion that the institution of the main application constitutes an abuse of the process of Court namely:

- (i) The dispute relating to the validity of the impugned trademark has been pending for more than 8 years;
- (ii) LA Group has been aware of the underlying facts in the present main application since at least date of inception of the proceedings under case no. 48200/18, and only when it now appears that such matter is bound to be heard, saw fit to introduce the main application without any explanation for the undue delay;
- (iii) It seems as if LA Group wishes to protract the litigation and delay the finalisation of case no. 48200/18.

[11] In support of the submission that the institution of the main application constitutes an abuse of process, Counsel acting on behalf of USPA referred to various judgments on the topic of abuse of process. It is however an established principle that the abuse of process concerns are motivated by the need to protect the "integrity of the adjudicator's functions" of Courts; doing so ensures that procedures permitted by the rules of the Court are not used for a purpose extraneous to the truth-seeking objective inherent to the judicial process².

² *Ascendis v Merck Sharpe Dohme* 2020 (1) SA 327 paragraphs [40] and [41]

- [12] In my view the mere fact that a litigant delays the application of a remedy available to such litigant or employs an alternative remedy which may result in a delay to the finalisation of proceedings *per se* do not justify an inference of abuse. The right to have disputes ventilated in a court of law is a fundamental right, and the principle that all disputes which may arise between parties should be ventilated once and for all is a counter argument to the submission that the introduction of further issues into existing litigation may delay the finalisation of such litigation and should thus be stayed. From the available facts I am not able to draw the inference that the main application was launched by LA Group for any other extraneous purpose but to seek the cancellation of the registration of the impugned trademark on the additional grounds as formulated in the main application and in particular I cannot find on the facts as presented that the institution of the main application constitute gross abuse.³ I am therefore not inclined to dismiss the main application on the grounds of abuse of procedure.
- [13] Counsel acting on behalf of both parties made comprehensive submissions based on authorities relating to the issue whether or not the plea of *lis alibi pendens* is appropriate in the present circumstances in the context of the facts as set out *supra*. It is common cause that the same parties are involved in two different matters where the same relief is sought, albeit on different grounds as already alluded to in paragraphs [4] to [6] *supra*. From a reading of the affidavits and heads of argument it is evident that in this regard the material issue between the parties involves a dispute whether or not LA Group relies on different *causae* of action in the proceedings under case no. 48200/18 and the main application respectively.

³ *Mineral Sands Resources (Pty) Ltd and Others v Reddell and Others* 2023 (2) SA 68CC) par. [29]

- [14] Counsel acting on behalf of LA Group submitted that the different sub-sections of Section 10 of the Act relied upon by LA Group in support of the relief claimed under Section 24(1) of the Act in the matter under case no. 48200/18 and the main application constitutes different *causae* of action, and stated as follows in Heads of Argument filed on behalf of LA Group:

"In the circumstances, the factual and legal disputes, and the causes of action associated with them, are different in the main application from the factual and legal disputes, and the associated causes of action, in case no. 48200/18. This is self-evidently revealed on a simple consideration of what is required to be proved in terms of each of the relevant sections."

Counsel further elaborates in such Heads of Argument that "cause of action" means every fact that needs to be proved (*facta probanda*) in order to support a litigant's right to a judgment. It does not comprise every piece of evidence (*facta probantia*) which is necessary to prove each fact, but every fact which is necessary to be proved.⁴

- [15] Counsel acting on behalf of USPA submitted that the cause of action upon which LA Group relies in the main application as well as the proceedings under case no. 48200/18 is the right to claim a removal of a trademark from the register afforded in terms of Section 24(1) of the Act, and not the separate grounds upon which such cause of action is found and contained in Section 10 of the Act. For this submission Counsel acting on behalf of USPA relied on the *Ascendis Animal Health (Pty) Ltd v Merck Sharp Dohme Corporation*-judgment⁵. The *Ascendis* matter deals with the plea of *res judicata* and in the Court of first instance Van der Westhuizen J held that section 61 of The Patents Act 57 of 1978 was the cause of action for purposes of a plea of *res judicata*, and not the various distinct grounds to attack such validity afforded in terms of The Patents Act. In

⁴ Respondent's Heads of Argument, par.7

⁵ *Ascendis Animal Health (Pty) Ltd v Merck Sharp Dohme Corporation* 2020 (1) SA 327 (CC)

an appeal against this judgment ultimately heard by the Constitutional Court, the Constitutional Court was split 5/5 on the issue resulting in the judgment of Van der Westhuizen standing.

- [16] Counsel acting on behalf of USPA submitted that the judgment of Van Der Westhuizen J in the *Ascendis* matter namely that section 61 of The Patents Act is the cause of action afforded to a party is similarly applicable to the Trade Marks Act in the sense that the Trade Marks Act provide a cause of action under section 24(1) and that section 10 of the Act does not provide separate *causae* of action but are merely different grounds for the cause of action provided under section 24(1) of the Act. It was further submitted that this court is bound to the decision of Van der Westhuizen J. in the *Ascendis* matter in terms of the *stare decicis* rule and I agree with this reasoning.
- [17] The issue of *lis pendens* must therefore be approached on the basis that the cause of action upon which LA Group relies in the proceedings under case no. 48200/18 as well as the main application, being Section 24(1) of the Act, is one and the same cause of action. In my view, USPA therefore successfully established the elements of a plea of *lis pendens*.
- [18] Whereas the *Ascendis* judgment dealt with the plea of *res judicata*, and which does not afford a Court any discretion, the plea of *lis alibi pendens* is not an absolute bar as the Court has a discretion to allow a matter to proceed. This discretion is based on a consideration of justice and equity.⁶

⁶ *Friedrich King GmbH v Continental Jewellery Manufacturers; Guthmann & Wittenauer GmbH v Continental Jewellery Manufacturers* 1993 (3) SA 76 C at 83 B

- [19] Furthermore, in terms of Section 173 of the Constitution⁷ this Court has the inherent power to protect and regulate its own process. In regulating its own process and in the interest of justice, in my view an approach that would facilitate the adjudication of disputes in terms of the once and for all rule, avoiding multiple institution of procedures, and eliminating the potential for the piecemeal adjudication of issues should be adopted. Any approach which may in any circumstances have the potential to achieve the opposite effect should be avoided. Where the same parties are involved in similar litigation in the same Court, albeit in different proceedings as is *in casu*, it is desirable that all their issues are ventilated once and for all to facilitate the finality principle.
- [20] In correspondence annexed to the Founding Affidavit LA Group recorded through its legal representatives its intention to have the main application and the proceedings under case no. 48200/18 heard together. It is not clear whether LA Group intends to apply for a consolidation of the matters *alternatively* seek a directive that the matters be heard simultaneously. Whatever the case may be, *prima facie* it seems to be the desirable manner of proceeding with the matters, which in any event would require a special allocation considering the nature and extent of the issues involved. When heard together, the full extent of issues between the parties will be ventilated once and for all whereas, on the other hand, should the main application be stayed pending finalisation of the proceedings under case no. 48200/18 the potential for a plethora of subsequent litigation on completion of the proceedings under case no. 48200/18 is real, including litigation on the issue of *res judicata* at that stage, and possible appeals on the issue.
- [21] I was initially of the view that the costs of this interlocutory application should be costs in the main application. However, USPA is not substantially successful in the sense that I

⁷ Constitution of the Republic of South Africa 1996

have declined to make an order in terms of prayers 1(a) or 1(b) of the Notice of Motion. There is no reason why a subsequent court should be saddled with the issue of costs of this application and why costs should not follow the event.

[22] In the result, I make an order in the following terms:

[1] Applicant (USPA) is granted a period of 15 (fifteen) days from date of this order within which to deliver its Answering Affidavit in the application under case no. 2023/021399;

[2] Applicant (USPA) is ordered to pay the costs including costs of two counsel.



P A VAN NIEKERK

ACTING JUDGE OF THE GAUTENG DIVISION, PRETORIA

Appearances:

For the Applicant:	ADV. BOWMAN SC
	ADV. I JOBERT SC
Instructed by:	SPOOR & FISHER INC
For the Respondent:	ADV. R MICHAU SC
	ADV. P CIRONE
Instructed by:	ADAMS & ADAMS INC