

**IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, JOHANNESBURG**

CASE NO: 43250/2020

(1) REPORTABLE: NO (2) OF INTEREST TO OTHER JUDGES: NO (3) REVISED: YES Date: 12 December 2022

In the matter between:

KAWASAKI ROBOTICS GmbH

1st APPLICANT

(A Subsidiary of Kawasaki Jukogyo Kabushiki Kaisha
d/b/a Kawasaki Heavy Industries, Ltd)

KAWASAKI JUKOGYO KUBUSHI KAISHA

2nd APPLICANT

d/b/a KAWASAKI HEAVY INDUSTRIES, LTD

and

DIRECTECH

RESPONDENT

JUDGMENT

ALLY AJ

INTRODUCTION

[1] This is an opposed application in terms of which the Applicant claims:

- 1.1. Interdicting the Respondent from infringing the Applicants' rights acquired by the registration of the following trademarks ("the Trademarks");

- 1.1.1. Nr. 2013/04900 (Class 7)

- 1.1.2. Nr. 2013/10064 (Class 7)

- 1.1.3. Nr. 2013/04903 (Class 7)

by using, in relation to any goods in respect of which the said trademarks is registered, the Trademarks or any mark so nearly resembling the trademarks as to be likely to deceive or confuse.

- 1.2. Compelling the Respondent to erase the offending mark, bearing the following trademarks:

- 1.2.1. Nr. 2013/04900 (Class 7)

- 1.2.2. Nr. 2013/10064 (Class 7)

- 1.2.3. Nr. 2013/04903 (Class 7)

from all goods, containers, packages, labels, advertising matter and other documents of whatever sort, which may be in the Respondent's possession or under its control

by using the mark in relation to goods in respect of which the trademarks are registered.

[2] The Respondent has opposed this application and have raised certain points *in limine*:

2.1. the Respondent takes issue with the fact that the application was served on its current attorney of record, Van Zyl Johnson Inc when no consent was given for said attorneys to accept same; this point was abandoned in the heads of argument of the Respondent on the basis that the application came to the attention of the Respondent; this point was rightly abandoned;

2.2. *locus standi* of the First Applicant in that the First Applicant is a subsidiary of the Second Applicant but does not vest First Applicant with authority to institute applications on behalf of the Second Applicant, as its holding company. In furtherance of this point the Respondent submits that the doctrine of separate legal personality within company law functions to facilitate the implementation of limited liability. Accordingly, so it submits, every member company within a group of companies, has its own separate personality.

FACTUAL BACKGROUND

[3] The deponent to the Founding Affidavit, a certain Mr Marcus Bretschneider, alleges that the First Applicant is a subsidiary of the Second Applicant and that he is duly authorised to depose to the affidavit on the basis of 'Annexure A' read 'Annexure B' annexed to the founding affidavit.

[4] 'Annexure A' is a letter of authorisation written by a certain Noburu Takagi who is said to be a General Manager: Precision Machinery & Robot Company, Kawasaki Heavy Industries Ltd and 'Annexure B' is a special resolution authorising Marcus Bretschneider to depose the founding affidavit.

[5] The Second Applicant has also been cited as a party because of its interest in the matter, so it is alleged.

[6] The deponent to the founding affidavit also alleges that because of his position within the First Applicant he has personal knowledge of the contents of the affidavit as well as all the business dealings between the Applicants and the Respondent within the Republic of South Africa.

[7] The Applicants allege that the First Applicant and the Respondent conducted joint business activities in the past and during this business relationship, the Respondent utilised the trademarks of the Applicants' with the Applicants consent.

[8] The Applicants terminated the said business relationship with the Respondent on 18 June 2019.

[9] Subsequent to the termination of the business relationship between the parties, the Applicants allege that the Respondent continued to make use of their trademarks even after requests to desist from doing same.

[10] After several unsuccessful attempts by the Applicants to prevent the Respondent from using the trademarks, the Applicants allege that they were forced to launch these proceedings.

[11] Besides the points *in limine* mentioned above, the Respondent joins issue with the Applicants.

[12] The Respondent indicates that the basis of Applicants' relief is, 4 alleged infringements as contained in paragraph 20 of the founding affidavit read with annexures "F1 – F4". The Respondent alleges firstly, in relation to annexures "F1 and F2", that the signboard complained about was removed prior to the launch of these proceedings. Secondly, the "**K Kawasaki Robotics**" device visible in the said annexures "F1 and F2", is not a Trademarks of the Applicants, thus not infringing any trademarks of the Applicants.

[13] The Respondent submits further that in respect of annexure "F3", no infringement has been committed for the reason that "F3" makes no mention of a trademarks and thus no infringement can occur. Alternatively, and only in the event

of the Court finding that the word “Kawasaki” offends against the trademarks then the Respondent submits that “F3” relates to work done historically and can therefore not be an infringement as made out by the Applicants.

[14] In respect of annexure “F4”, the Respondent alleges that “F4” is also historical in nature because the screenshot refers to 13 May 2019 and, on the Applicants’ own case, consent was withdrawn after that date. Furthermore, the Respondent alleges that the screenshot relates to Germany and not within the boundaries of the Republic of South Africa and therefore cannot be an infringement of the Act as pleaded by the Applicants.

EVALUATION AND ANALYSIS

[15] The Respondent has abandoned the point relating to service of the application and this Court therefore does not deal with the said point.

[16] The Respondent, however, does persist with the second point *in limine*, which relates to *locus standi in iudicio*.

[17] As I understand this point as outlined in the issue of authorising the institution of these proceedings before this Court is placed in issue. Now it has

become settled law¹ that where a party raises an issue of authority to institute or prosecute proceedings before a Court of law, then and in that event, such party must make use of Rule 7 of the Uniform Rules of Court. The Respondent has not made use of Rule 7 and in the circumstances, this Court agrees with the submission by Counsel for the Applicants, that in the absence of a Rule 7, the whole point falls away. It must be mentioned furthermore, that annexures “A” and “B” of the founding affidavit, in my view, puts paid to this point conclusively.

[18] In order to succeed in claiming protection in terms of the Trademarks Act² [hereinafter referred to as ‘the Act’], it is incumbent on the Applicants to prove³:

18.1. the trademarks in question has been registered in terms of ‘the Act’;

18.2. the Respondent has used the trademarks without the consent or permission of the proprietor of the trademarks;

[19] The Applicants annexed the registration of the trademarks as annexures “C1 – C3”. Accordingly, it is clear from the available evidence that the Applicants have proven the registration of the trademarks. The specificity of the trademarks in

¹ Ganes & Another v Telecom Namibia Ltd 2004 (3) SA 615 SCA @ para 19

The Unlawful Occupiers of the School Site v City of Johannesburg 2005 SCA @ para 14

Eskom v Soweto City Council 1992 (2) SA 703 WLD

² 194 of 1993

³ Section 34 of ‘the Act’

relation to each infringement alleged by the Applicants will be dealt with later in this judgment.

[20] The question that arises, however, is whether the First Applicant can make allegations as to the registration of the trademarks and as a consequence thereof claim infringement of the trademarks in circumstances where it is not the owner of the trademarks but the Second Applicant is?

[21] Firstly, the First Applicant has attached annexure “A” indicating the authority of the First Applicant which includes authorising the First Applicant to protect the trademarks of the Second Applicant. This circumstance in ‘the Act, is described as a permitted user⁴. However, a permitted user is not a registered user and a person may only be described as a registered user where application has been made to the registrar for registration as a registered user.

[22] The question remains, however, whether a permitted user, as described in ‘the Act’ may institute legal proceedings in respect of infringement of the trademarks relevant to this application. In normal circumstances, it is the owner that has that right, but in the circumstances of this case the First Applicant has been given specific authorisation to protect the trademarks and in any event Second Applicant is also a party to the proceedings. In my view, in the particular

⁴ Section 38 (1) of ‘the Act’

circumstances of this case, the First Applicant has been enabled and empowered to launch these proceedings as stated above in dealing with the *locus standi* issue and the authority of the First Applicant.

[23] The Applicants maintain that the Respondent was notified in writing that usage of the trademarks was withdrawn and that the Respondent should desist from using same.

[24] It is apposite at this point to deal with the specific allegations by the parties. The Applicants allege that the business relationship between the Respondent and the Applicants was terminated. The Respondent does not specifically deny receiving the termination letter dated 18 June 2019 and signed on 19 June 2019 but provides certain context to the letter. For purposes of this judgment, the context is not germane, in my view, to the determination of whether consent or permission had been withdrawn by the Applicants. In the result and on the basis of the uncontested averment of termination, this Court finds that the consent provided to the Respondent to make use of the trademarks, was withdrawn on 19 June 2019 being the date on which the termination letter was signed.

[25] Having found that approval or permission to use the trademarks was withdrawn, the next question to determine is whether the Respondent made use of the trademarks after withdrawal of permission, which use axiomatically would result in an infringement unless the Respondent is able to show otherwise.

[26] Now the Respondent alleges that the signboard mentioned in annexures “F1 and F2” was removed prior to the launch of these proceedings. The Applicant contests this by alleging that in any event, the Respondent continued using the trademarks unlawfully and refers the Court to annexure “MBR1”. This contestation, however, appears in the replying affidavit of the Applicants, and as with applications, the Respondent has not and normally has no opportunity to deal with the allegations in the replying affidavit.

[27] Whilst an Applicant is entitled to complete a cause of action in the replying affidavit, such as where the authority of the Applicant has been put in issue and the Applicant provides a copy of the resolution of authority in the replying affidavit. In this matter, however, I am of the view that this dispute of fact cannot be resolved on the papers and should rather be referred for oral evidence in order to be fair to both parties.

[28] It should be noted that whilst, neither of the parties have requested a referral for oral evidence, it is my view, that in the interests of justice, this Court is entitled to *mero motu* refer disputes of fact for oral evidence⁵.

⁵ Room Hire Co (Pty) Ltd v Jeppe Street Mansions (Pty) Ltd 1949 (3) SA 1155 (T) @ 1165

Oertel NO v Pieterse & Others 1954 (3) SA 364 (O) @ 368

[29] The Respondent also contests that it has infringed the trademarks in relation to annexures “F3 and F4”. In my view, whilst a Court is called upon in certain circumstances to apply a robust approach in dealing with factual disputes, this case is not such a case and I am of the view that the disputes relating to all the infringements alleged by the Applicants, be referred for oral evidence.

[30] Having found that disputes of fact exist in this case, it is not necessary for this, at this stage, to deal with the requirements of an interdict and whether the requirements therefor have been met.

COSTS

[31] In circumstances such as this where the Court has *mero motu* referred a matter for oral evidence, it is in the interests of justice that costs be costs in the cause and that same be determined by the Court dealing with the oral evidence.

CONCLUSION

[32] Having determined that disputes of fact exist in this matter, it is necessary, in the interests of justice, that the infringements of the trademarks as alleged by the Applicant, be referred for oral evidence.

Accordingly, the following Order shall issue:

- a). The question of whether the Respondent has infringed the trademarks as alleged by the Applicant is hereby referred for oral evidence;
- b). The costs of this application shall be costs in the cause;

ACTING JUDGE OF THE HIGH COURT

GAUTENG DIVISION OF THE HIGH COURT, JOHANNESBURG

Electronically submitted therefore unsigned

Delivered: This judgement was prepared and authored by the Judge whose name is reflected and is handed down electronically by circulation to the Parties/their legal representatives by email and by uploading it to the electronic file of this matter on CaseLines. The date for hand-down is deemed to be 12 December 2022.

Date of virtual hearing: 3 February 2022

Date of judgment: 12 December 2022

Appearances:

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