

IN THE HIGH COURT OF SOUTH AFRICA
FREE STATE DIVISION, BLOEMFONTEIN

Case No: 2419/2015

In the application between:

E-PAPA (PTY) LTD

1st APPLICANT

OOLSNIRP (PTY) LTD

2nd APPLICANT

and

DIE SAKMAN CC

1st RESPONDENT

PAUL MILNER MURRAY

2nd RESPONDENT

CORAM: C REINDERS, AJ

JUDGMENT BY: C REINDERS, AJ

HEARD ON: 4 June 2015

DELIVERED ON: 11 June 2015

- [1] This is an application to interdict the Respondents from infringing the Second Applicant's trade mark and passing off its goods as those of the First Applicant, including ancillary relief. Initially it was brought as an urgent application for an interim interdict, but after the matter was postponed to the opposed motion roll, a final interdict is now sought by Applicants.

- [2] The Respondents raised the preliminary point that this court does not have jurisdiction to entertain the claim for passing off in so far as it is alleged that the passing off occurred outside the Republic of South Africa. Relying on **Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd And Another 1998 (3) SA 938 (SCA)**, Mr Louw argued that the fact that the Respondents is resident in the Free State Province does not clothe the court with jurisdiction to entertain the application for relief pertaining to alleged passing off outside the country's borders.
- [3] Mr Zietsman on the other hand argued that a distinction should be drawn between a mandatory and prohibitory interdict, the latter being the relief claimed by Applicants in the Notice of Motion. He stressed the basic principle of effectiveness and the territorial nature of jurisdiction would allow this court the required jurisdiction. He submitted that South African courts are prepared to restrain incolae of their own areas of jurisdiction from acting unlawfully anywhere, referring to **Minister of Agriculture v Grobler 1918 TPD 483**, where the respondent was restrained from dealing with certain cattle in Botswana. Furthermore, the ultimate sanction against the incolae who fails to obey the interdict is imprisonment for contempt of court. A court can insist that a respondent under its power desist from his unlawful act and so expunge his contempt.
- [4] In more recent times it has been held by the Supreme Court of Appeal in **Metlika Trading Ltd v Commissioner, SA Revenue Service 2005 3 SA 1 (SCA)** at par [49] that the court may assume jurisdiction to grant an interdict in personam no matter if the act in question is to be performed or restrained outside the court's area of jurisdiction, or even outside the Republic. I am satisfied that the

court has jurisdiction to entertain a prohibitory interdict based on passing-off herein. The preliminary point is accordingly dismissed and I now turn to consider the merits of this application.

- [5] It is common cause that First Applicant, E-PAPA (Pty) Ltd (E-PAPA) manufactures and distributes maize meal throughout South Africa and the Kingdom of Lesotho. E-PAPA operates from its millery in Henneman, Free State Province. Second Applicant is Oolsnirp (Pty) Ltd (Oolsnirp) whose principal place of business is also in Henneman. Oolsnirp is the registered proprietor of a trade mark for maize meal and related products in the name of e-PAPA SUPER MAIZE MEAL, and it has been marked with a distinctive get-up. This trade mark appears on all maize meal bags distributed by E-PAPA in the country and Lesotho. The right to use the trademark vests in E-PAPA in terms of an agreement concluded between E-PAPA and Oolsnirp during 2012 for the exclusive right to use the trade mark on its products in return for payment of royalties.
- [6] First Respondent is Die Sakman CC (Die Sakman), a close corporation with its main place of business in Reitz, Free State Province. Die Sakman manufactures plastic and nylon bags and prints signage on them, using a metal plate known as a “stereo”. Bags were supplied by Die Sakman to E-PAPA for the latter’s maize meal (e-PAPA) until May 2014. However, the stereo used to print the trade mark of E-PAPA has not been returned to E-PAPA. Second Respondent is Paul Milner Murray (Murray) a former sales representative of E-PAPA.
- [7] Applicants allege that Die Sakman is also a distributor of maize meal under the name of Amigos Maize Meal, that Mr Henk van Wyk (Van Wyk) is the “controlling mind” of Die Sakman and that

Murrui is in the employ of Die Sakman. These allegations are all denied by Van Wyk in his answering affidavit on behalf of the respondents. Van Wyk maintains that Murrui is in the employ of Amigos Milling (Pty) Ltd (Amigos) in respect whereof a certificate of incorporation as a private company in Lesotho, dated 6 November 2014, is annexed. Furthermore, it is in fact Amigos who supplies bags “similar” to that of E-PAPAS and distributes maize meal to a former client of E-PAPAS called Hucksters Import and Export (Hucksters) in Maseru. A provisional registration of property rights to the logo and mark in terms of Rule 47(3) of the Lesotho Industrial Property Order and Regulations 19 of 89 (dated 19 March 2015) is annexed as proof of the property rights accrued to Amigos.

- [8] It is also alleged by Applicants that the current sales representative of E-PAPA (Mr Bekker) was contacted by a client informing him that their product is being sold at a competitor’s shop at a lower wholesale price, whereupon Bekker travelled to Maseru and discovered that it was a counterfeit product. Furthermore it is alleged that, the entire get-up of E-PAPA’s product had been copied. Any infringement on Oolsnirp’s trade mark or copying of E-PAPA’s get-up is denied by Respondents.

- [9] The thrust of Die Sakman’s defence is that Amigos, as a Lesotho private company, produces, sells, supplies and distributes maize meal in bags “similar” to the bags used by E-PAPA, thereby distancing itself from all facets in the supply chain of the alleged e-PAPA counterfeit maize.

- [10] Applicants filed a request in terms of Rule 35 (14) on Respondents. From the answering affidavit thereto as well as Applicants’ replying affidavit, the following emerged:

- (a) Van Wyk is the only director and shareholder of Amigos as is evident from Amigo's certificate of registration, he is the owner of the provisional rights of the e-PAPA mark and logo registered in Lesotho (par [9] above, and a also a member of Die Sakman;
- (b) A copy of Amigo's company information indicates that the main business address is situated at Ha Tsolo Lefoto Building, Maseru. This is an office block and no maize meal is produced at the said premises. The director is indicated as Mr Hendrik Josephus Christiaan van Wyk of Farm Ramralic, Reitz;
- (c) One Mr Riaan van der Walt of JC Milling was shown a maize meal mill at Van Wyk's farm "Ramralic" during October/November 2014. Maize meal was in fact manufactured and bagged in bags displaying the Amigos logo;
- (d) On closer inspection of Amigos Maize Meal bags it is indicated that the product is packed by Amigos Milling in Reitz. The cell phone number displayed is that of Van Wyk;
- (e) Van Wyk admitted that Amigos has not "effectively commenced trading" in Lesotho. An invoice of Amigos indicates that it does not emanate from Lesotho, but in fact depicts a South African banking account and the e-mail address of Die Sakman.

[11] Mr Zietsman argued that the contents of par [10] above is indicative of the fact that allegations by Die Sakman that it is in fact Amigos who produces, sells, supplies and distributes the alleged counterfeit products, is deliberately untrue and untenable

and that the Respondent's version should be disregarded on the papers.

[12] In **Wightman t/a JW Construction v Headfour (Pty) Ltd and Another 2008 (3) SA 371 SCA** at 375 par [12] Heher JA stated the following with reference to **Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A)**

“Recognising that the truth almost always lies beyond mere linguistic determination the courts have said that an applicant who seeks final relief on motion must, in the event of conflict, accept the version set up by his opponent unless the latter's allegations are, in the opinion of the court, not such as to raise a real, genuine or bona fide dispute of fact or are **so far-fetched or clearly untenable that the court is justified in rejecting them merely on the papers.**” (my own emphasis)

And on the same page at par [13]

When the facts averred are such that the disputing party **must necessarily possess knowledge** of them and be able to provide an answer (or countervailing evidence) if they be not true or accurate but, instead of doing so, rests his case on **bare or ambiguous denial**, the court will generally have difficulty in finding that the test is satisfied.”(my own emphasis)

[13] Van Wyk possessed intimate knowledge of the allegations by the Applicant, but elected to make bare and ambiguous denials. He is indeed the “controlling mind” of Amigos. His version is untenable.

- [14] Turning to the Applicants' version I must determine if a case was made out for infringement of the registered trade mark of Oolsnirp and passing off its goods by Respondents as those of E-PAPA.
- [15] The studio of E-PAPA was never returned but in stead used to unlawfully copy the registered trade mark of E-PAPA on bags which were filled with inferior maize meal milled at Reitz. The counterfeited product was then exported to Lesotho and sold. The use of the trade mark was clearly unauthorised and in the course of trade. It is clear from the photo copies annexed to the papers that the mark on the counterfeited e-PAPA maize meal bags are not similar but in fact identical to that of the trade mark of E-PAPA.
- [16] That deception or confusion would result is evident by the fact that one of E-PAPA's clients in Lesotho contacted the sales representative of E-PAPA and informed him that Hucksters was selling e-PAPA maize meal at a cheaper price. One Mr Tsung of Hucksters, a former client of E-PAPA, was also under the false impression that the product was that of E-PAPA. The E-PAPA mark is also used in relation to goods and services in respect of which the trade mark is registered , namely White Maize Meal.
- [17] E-PAPA's product has no doubt been marked with a distinctive get-up, with characteristics fully described in the prayers to follow below. This get-up has acquired a reputation in the market. Applicants annexed an extract of E-PAPA's monthly turnover pertaining to its Lesotho business, clearly indicative of the goodwill it enjoyed in Lesotho. The get-up and trade name was clearly known in the market and acquired a public reputation. Murrui, as former sales manager of E-PAPA in Lesotho, was well aware of this.

[18] Misrepresentation by the Respondents were clear in that there was not only a likelihood of deception that members of the public would be confused, but actual deceit. So for instance was the said Mr Tsung under the impression that he had in fact purchased the product of E-PAPA. The representation by Respondents was false and unauthorised as is evident from above. That the deceit was calculated is clear from the fact that the stereo of E-PAPA was not returned but in stead used to print the distinctive get-up of E-PAPA on Respondents' bags.

[19] The only question remaining is if the Applicants have met the requirements for granting of a final interdict. Applicants have shown a clear right to Respondents not unlawfully infringing the trade mark of Oolsnirp and passing of their product as that of E-PAPA. It is reasonably apprehended that Applicants will suffer damage until Respondents' unlawfull actions are interdicted and the Applicants do not have any form of similar protection by any other ordinary remedy.

[20] I am thus satisfied that the Applicants have met the requirements for the granting of a final interdict. Regarding the costs occasioned by the postponement of the application of 28 May 2015, I am of the view that the cost follow suit.

[22] Accordingly I make the following orders:

1. The Respondents is interdicted by itself or through its servants or agents from infringing the Second Applicant's rights (lawfully used by the First Applicant) acquired by Trade Mark No. 20124/30083, as represented in annexure "X" to the Notice of Motion, or any other mark so nearly resembling the aforesaid registered trade mark as to be likely to deceive or cause confusion;
2. The Respondents is interdicted by itself or through its servants or agents from passing off its goods as those of the First Applicant by selling or offering for sale maize meal in bags exhibiting the following features, viz:
 - a) the trade mark as described in para.1;
 - b) the words "**THE PEOPLE'S CHOICE**", (hereafter "the slogan") printed in red at the bottom of the bag, between two red tram lines with a yellow background;
 - c) two green arrows to the left and right of the slogan, pointing towards the slogan;
 - d) the word "**e-PAPA**" printed in red followed by the slogan, printed in green, printed vertical on both the left and right sides of the bag;
 - e) a green horse in the middle of the bag with the words "**Consider your eenvironment**" printed in white over the body of the horse;
 - f) the words "**The original taste that stood the test of time**" printed in red above the horse;

such features as being depicted in annexure “Y” in the Applicants’ Notice of Motion;

3. Respondents are ordered in the presence of an authorised agent of the Applicants, to destroy all the bags found in possession of the Respondents, displaying the features referred to in para 1 and 2 above;
4. First and Second Respondent, jointly and severally, the one paying the other to be absolved, is ordered to pay the cost of this application, including the cost of 28 May 2015.

C. REINDERS, AJ

On behalf of applicants: Adv PJJ Zietsman
Instructed by:
Christo Dippenaar Inc.
BLOEMFONTEIN

On behalf of respondents: Adv MC Louw
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