**FREE STATE HIGH COURT, BLOEMFONTEIN**
**REPUBLIC OF SOUTH AFRICA**

Case No.: 3424/2011

In the matter between:

**PIONEER FOODS (PTY) LTD** Applicant

and

**BOTHAVILLE MILLING (PTY) LTD** Respondent

**JUDGMENT:** LEKALE, J

**HEARD ON:** 26 JULY 2012

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**DELIVERED ON:** 20 SEPTEMBER 2012

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## INTRODUCTION AND BACKGROUND

[1] This is an opposed application for an order in the following terms:

1.1 "Restraining the respondent from passing off its business and products as those of the applicant, and from using the STAR get-up (which includes the trade mark THE PEOPLE'S CHOICE) in any manner so as to connect it with the applicant's business and products;

1.2 Directing the respondent to remove all reference to the STAR get-up (which includes the trade mark THE PEOPLE'S CHOICE) from all matter and material to which it has been applied whether as packaging, signage or otherwise;

1.3 Interdicting the respondent from unlawfully competing with the applicant;

1.4 Directing the respondent to pay the costs of the application including the costs of two counsel."

[2] The parties herein are both involved in the production and distribution of diverse food, beverage and related products including super maize meal.

[3] The applicant, *inter alia,* produces and distributes a super maize meal product sold under the WHITE STAR get-up. The respondent, on its part, manufacturers and distributes its super maize meal product under the STAR get-up.

[4] The applicant's WHITE STAR get-up consists of the white star word trade mark and the star device using a combination of green, red and white colours with a strapline, THE CLEVER CHOICE. This get-up has been consistently in use since March 1999 when the product was first launched nationwide.

[5] The respondent, on its part, is a family business which has been using the STAR get-up in its present form from August 2003 when the pay off line "THE PEOPLE'S CHOICE" was introduced. The get-up underwent a number of changes since the 6 September 2000 when the respondent acquired the STAR trademark from Naledi Mills (Pty) Ltd ("Naledi Mills") in Henneman. The said trademark having been registered in favour of Naledi Mills in 1987.

[6] Prior to September 2000 the respondent was purchasing and using packaging material from Naledi Mills for its special maize meal. This material bore the NALEDI and the STAR word marks and the STAR device trademark.

[7] In May 2000 the respondent changed the colour of the packaging for its super maize meal to the colours green, red and white. In September 2000 the respondent commenced the use of the NALEDI and the STAR word trademarks and the STAR device until March 2001 when the NALEDI trade mark was discarded following a demand from a competitor.

[8] On the 15th December 2000 the respondent, through its attorneys, directed a letter to the applicant regarding its use of the WHITE STAR and STAR device trademarks on its packaging and demanding that it stop the use of the same on the ground that it constituted passing off. The applicant responded acknowledging receipt of the letter and indicating that same had been referred to its attorneys for response.

[9] In 2010 the applicant caused a letter of demand to be directed to the respondent as a precursor to the present proceedings. The respondent, however, refused to oblige.

**ISSUES IN DISPUTE**

[10] The parties are essentially in dispute over whether or not:

10.1 the applicant had acquired a reputation as the producer and distributor of super maize meal under the WHITE STAR get-up as at August 2003 when the respondent introduced its present day STAR get-up;

10.2 the use by the respondent of the STAR get-up, in its current form, is reasonably likely to cause confusion or deception in the market as to the source of the STAR

SUPER MAIZE MEAL or as to its connection or relationship with the applicant.

[11] The respondent, further, contends that the applicant is estopped from interdicting it because of its inaction or unequivocal failure to take any steps to advice the respondent of its alleged right for over 9 years, thus, causing the latter to spend substantial amounts of money acquiring substantial reputation and goodwill in its STAR packaging.

[12] On the 24 July 2012 the respondent delivered a notice to strike-out certain affidavits, averments and annexures in the applicant's papers on the grounds that they are either inadmissible, vexatious or irrelevant and new matter.

**APPLICANT'S CASE**

[13] In support of its case the applicant delivered founding and replying affidavits together with affidavits deposed to by some consumers of its WHITE STAR product in the Western Cape as annexures, among others. The said consumers effectively express opinions and speculate on how they and the general

purchasing public would react if they were to encounter the respondent's STAR product at the market place.

[14] The applicant, further, supplied evidence, by way of annexures, on how it has been promoting and marketing its product aggressively since January 1999 at high costs. It also provides figures indicating that from 1999 to September 2010 it sold 2765672 tons of the relevant product throughout South Africa. In 2010 alone it spent R14,5 million on marketing the product.

[15] In its view the applicant has built a substantial reputation in its product and the WHITE STAR packaging has become so distinctive of its product that the purchasing public recognises and associates the same with it.

[16] The applicant, further, contends that the use of the STAR get-up by the respondent in its packaging of super maize meal amounts to an unlawful representation that its product is that of the applicant or is associated therewith or licensed or approved by the applicant. It is not necessary to deconstruct the get-ups in order to determine whether or not there is a likelihood of

confusion or deception. What counts, according to the applicant, our first impressions.

[17] There exists, according to the applicant, a likelihood that a substantial part of the purchasing public will be deceived or confused as to the source of the respondent's product or its association with the applicant, thereby, causing damage to the reputation of the applicant in the light of the fact that both parties are participants in the same industry and promote and sell super maize meal.

[18] There exists no evidence, the applicant submits, that there was a duty on the applicant to respond to the respondent's demand made in December 2000. There is, further, no evidence before the court that the respondent was misled by the applicant's silence and acted thereon.

[19] The applicant is entitled to vindicate its rights, so submits Mr Sholto-Douglas for the applicant, at any time unless they have prescribed or it has waived them. There exists no evidence of the aforegoing before the court.

[20] In the applicant's view there exists no cause in law to strike out the affidavits. The six affidavits in question are deposed to by prospective consumers who are not yet exposed to the respondent's product. The process of securing the affidavits in question was not a survey and, as such, should not be subjected to the requirements of a survey which, in effect, is an affidavit or report by the surveyor.

[21] The respondent's choice of the STAR get-up is a direct and immediate adoption and duplication of the applicant's performance and, as such, constitutes unlawful competition according to the applicant.

**RESPONDENT'S CASE**

[22] The respondent resists the application on the following grounds among others:

22.1 The colours green, red and white are commonly used by many producers of maize meal, particularly super maize meal;

22.2 The word "STAR" and/or STAR device trade mark is used by a number of other maize meal producers on their packaging;

22.3 The respondent commenced using the NALEDI trade mark and STAR word mark as well as STAR device in September 2000;

22.4 The impugned packaging, inclusive of the pay-off line, has been in use for over 8 years and the respondent has, therefore, acquired a substantial reputation and goodwill in the STAR word mark and the STAR device as well as its product get-up;

22.5 As at 2000 when the respondent commenced the use of its packaging, it is highly unlikely that the applicant had any repute or goodwill in its WHITE STAR get-up. The applicant's sales and advertising figures do not prove that it had a reputation in 2000;

22.6 The use by the respondent of its current STAR get-up does not constitute a representation which is either directly or indirectly likely to cause confusion or deception among the consumers. The parties' relevant products have co-existed in the market place without any instances of confusion and/or deception for more than a decade.

The get-ups have to be looked at as a whole and prominent features thereof be appreciated for trade mark purposes.

[23] The respondent, further, maintains that the evidence sought to be relied upon to prove likelihood of deception and/or confusion is inadmissible as it purports to be a market survey when it fails to comply with the requirements for admissible market survey.

[24] In the respondent's view the evidence of some 3 700 MMS messages in an attempt to prove confusion or deception is inadmissible for constituting hearsay and should, in any event, have been contained in the founding affidavit.

[25] The likelihood of confusion or deception arising is further reduced by the fact that the respondent does not distribute his products to the retail trade and supermarket groups.

[26] According to the respondent the applicant ought to be estopped from interdicting the respondent due to its inaction since 2001 when it began its investigations against the conduct of the

respondent. The applicant failed to alert the respondent to its concerns when it had an opportunity to do so following a letter of demand directed to it at the behest of the respondent in 2000.

[27] In the respondent's view no case of any form of unlawful competition other than alleged passing-off has been made out by the applicant.

[28] The applicant simply seeks to suppress healthy competition because it clearly regards the respondent as a threat in the market place.

**APPLICABLE LEGAL POSITION**

[29] The common law action for passing off is a form of unlawful competition consisting essentially in a representation, express or implied, that one's merchandise or services or business is the same as or is connected to that of the other. (See **BRIAN BOSWELL CIRCUS (PTY) LTD v BOSWELL-WILKIE CIRCUS (PTY) LTD** 1985 (4) SA 466 (A) at 478.)

[30] An implied or indirect representation arises where one trader uses, in relation to his own products, the name, trade mark or get-up which is the same as or is so similar to the one adopted by and distinctively associated, in the mind of the public, with another trader that it can be said to be calculated to deceive or cause confusion. (See **BEECHAM v SOUTHERN TRANSVAAL PHARMACEUTICAL PRICING BUREAU** 1993 (1) SA 546 (A) at 554H – J.

[31] In an action for passing off the alleged victim should prove the existence of a reputation in the relevant name, trade mark or get-up as well as the representation by the alleged culprit.

[32] The reputation in the relevant name, trademark or get-up must have existed at the time the alleged culprit entered the market and when the misrepresentation was made.

(See **CATERHAM CAR SALES AND COACH WORKS LTD v BIRKIN CARS (PTY) LTD** 1998 (3) SA 938 (SCA) at 950H - I.)

[33] The existence of the requisite reputation may be inferred from

evidence of extensive sales and advertising. See **HOLLYWOOD CARS (PTY) LTD v TWINS PRODUCTS (PTY) LTD(1)** 1989 (1) SA 236 (A).

[34] Once the reputation has been proved, the question is whether, in the light of all the circumstances of the case, there is a reasonable likelihood that ordinary members of the public or a substantial section thereof might be confused or deceived into believing that the business or merchandise of the alleged culprit is that of or is connected with that of the alleged victim. (See **RECKITT AND COLMAN SA (PTY) LTD v SE JOHNSON AND SON SA (PTY) LTD** 1993 (2) SA 307 (A) at 315B – C.)

[35] In determining whether a defendant's product is likely to deceive regard must be had to the whole get-up of the product. It is not necessary that the whole get-up be distinctive. A part of the get-up may be shown to be so identifiable with the plaintiff's goods that its use for similar goods is calculated to pass them off as his.

(See **ADCOCK-INGRAM PRODUCTS LTD v BEECHAM SA** 1977 (4) SA 434 (W).)

[36] It is permissible, to an extent, for one trader to copy or imitate the ideas and devices of other traders provided such a trader takes the trouble to clearly distinguish his goods in the eyes of the ordinary purchaser to obviate the possibility of deception that his goods are those of other manufacturers. Similar get-ups may be distinguished by clear marks. (See **BLUE LION MANUFACTURING (PTY) LTD v NAHON BRANDS LTD** 2001 (3) SA 884 (SCA) at 887F – G and **ADCOCK-INGRAM PRODUCTS v BEECHAM SA (PTY) LTD** *supra* at 437F – 438A.

[37] Opinion evidence as to the likelihood of confusion or deception arising from the particular packaging is of little value as that is the very question the court is seized with. Evidence of actual deception or confusion is of a greater importance although it is not essential. (See **BLUE LION MANUFACTURING (PTY) LTD v NATIONAL BRANDS LTD** *supra* at 889H – I.)

[38] A comparison of the get-ups involved may be helpful in enabling the court to place itself in the position of the

purchasing public intended for consumption of the products in question. (See **JOHN CRAIG (PTY) LTD v DUPA CLOTHING INDUSTRIES (PTY) LTD** 1977 (3) SA 144 (T) at 153G.)

[39] A defence of estoppel essentially depends, for its success, on the existence of a representation through word or conduct, which leads another to act or omit to act on its basis and which representation would cause the representee to suffer prejudice if the representor is allowed to deny the veracity thereof. (See generally **CONCOR HOLDINGS (PTY) LTD v POTGIETER** 2004 (6) SA 491 SCA at 495 and **ARIS ENTERPRISES (FINANCE) (PTY) LTD v PROTEA ASSURANCE COMPANY LTD** 1981 (3) SA 274 (A) at 291D – E.)

[40] A person who has acquired a right is entitled, at any time, to vindicate that right when it is infringed save where the right to vindicate has prescribed in terms of the law. A person is further at liberty to waive or abandon his right to protect himself through consent or acquiesce either by word or by conduct. (See generally **POLIKANSKY BROTHERS v HERMANN AND CANARD** 1910 TPD 1265 at 1278 and **TURBEK TRADING CC**

**v A & D SPITZ LTD AND ANOTHER** (2010) 2 All SA 284 (SCA).)

[41] A delay may, in an appropriate case, evince an intention to waive or a misrepresentation which might found estoppel. (See **TURBEK TRADING CC v A & D SPITZ LTD AND ANOTHER** *supra* at 290a – b.)

[42] Opinion, as evidence before the court, is generally inadmissible as being irrelevant except where it is given by an expert in the relevant field or a lay person in respect of a fact which is difficult for him to describe in any other way than by opinion evidence. (See **RUTO FLOUR MILLS (PTY) LTD v ADELSON (1)** 1958 (4) SA 235 (T) at 237A.)

[43] The court may strike out from any affidavit matters which are scandalous, vexatious or irrelevant and only if it is satisfied that the applicant for such a relief will be prejudiced in its case if the relief is not granted. (See **ANDERSON AND ANOTHER v PORT ELIZABETH MUNICIPALITY** 1954 (2) SA 299 (EC).)

[44] Allegations which may or may not be relevant but which are so worded as to be abusive or defamatory constitute scandalous matter. Allegations, which are worded so as to convey an intention to harass or annoy whether or not they are relevant are vexatious while allegations which do not apply to the matter in hand and do not contribute one way or the other to a decision of such a matter are irrelevant. (See **VAATZ v LAW SOCIETY OF NAMIBIA** 1991 (3) SA 563 (NM).)

[45] In argument Mr Sholto-Douglas confines himself to the issue of passing off and is silent on alleged unlawful competition on the part of the respondent.

**STRIKING OUT**

[46] In determining whether or not the matters identified by the respondent as objectionable are worthy of being struck out the main issue between the parties viz whether or not the respondent passes off its STAR super maize meal as emanating or being connected with the applicant serves as a guiding star.

[47] In the light of the view that I have taken of the matter, I shall confine this judgment to issues specifically raised in oral submissions. I further accept documents and notices delivered by the parties as being properly before the court in the light of absence of prejudice to any party.

[48] I am satisfied that the affidavits of the applicant’s customers in the Western Cape constitute opinion evidence to the extent that the deponents express opinions or are speculative on how the purchasing public would react when it is confronted with the respondent’s product in the market place.

[49] The affidavits in question, therefore, fall to be struck out to the aforegoing extent for simply being irrelevant.

[50] I am, furthermore, satisfied that the evidence of MMS messages constitutes new evidence insofar as they are contained in the replying affidavit and that, it would, as such, not be fair to admit the same.

[51] The parties are *ad idem* with regard to applicable law and are

only at *variance* on whether or not the applicant had the requisite reputation as at the date on which the respondent entered the market and as to the existence of an indirect representation by the respondent which is likely to cause a confusion or deception in the market place.

**REPUTATION**

[52] Although the respondent contends that it is highly unlikely that the applicant had the requisite reputation in its WHITE STAR get-up in 2000 when the respondent commenced its packaging, I am satisfied that the determinative date is the date on which the respondent entered the market with its current get-up which includes a strapline.

[53] I am persuaded, from the extensive national marketing campaigns undertaken by the applicant since 1999 and the high volumes of sales made as at 2003, that the applicant had most probably acquired a reputation in its get-up as at the time when the respondent adopted its current packaging.

**REPRESENTATION**

[54] The applicant relies on indirect representation in its case and, effectively, contends that the STAR is so similar to its WHITE STAR get-up that it was calculated to cause confusion or deception in the minds of the purchasing public.

[55] In order to determine whether or not the two get-ups are similar, one needs to notionally place them side by side to make a comparison. A look at the two get-ups as a whole and as pictorially depicted side-by-side in the founding affidavit reveals that they are similar in the sense that they both have STAR device and STAR word marks and pay-off lines in a combination of green and red colours against a white background.

[56] There are, however, clear differences in the trade marks which seem to distinguish one from the other such as the word mark WHITE in respect of the WHITE STAR and the depiction of the STAR device as well as the arrangement and combination of the colours. In the applicant's get-up the STAR device is red with a protruding point and four small red stars pouting into it. In the STAR get-up the STAR device is red surrounded by a

green circle with an addition of a green corn icon in the centre.

[57] Although at first glance the two packages, as a whole, elicit some nostalgic resemblance, I am convinced, among others, that the absence of the word mark WHITE in the STAR product as well as the differences in the wordings of the straplines sufficiently distinguish the two products from each other. It is, further, effectively common cause between the parties that the colours green, red and white are in general use by manufacturers of super maize meal. There is, in my judgment, indeed a measure of copying on the part of the respondent. I am, however, not satisfied that the similarities are such that they are calculated to cause confusion or deception regard being had to the distinguishing or prominent features referred to above and pointed out by Mr Puckrin for the respondents. If the similarities were so striking as to be calculated to cause confusion or deception, one would have reasonably expected the applicant to have taken steps to protect its interests sooner than later.

**LIKELIWOOD OF CONFUSION OR DECEPTION**

[58] Even if I am wrong in the aforegoing finding with regard to indirect representation, I am not satisfied that there is a reasonable likelihood of deception or confusion regard being had to the applicable guidelines set out below.

[59] In the absence of evidence of actual deception or confusion, as in the present matter, the evidence adduced must be compelling or "**of the most cogent sort**" as correctly pointed out by Mr Sholto-Douglas in the Heads of Argument. (See **JOHN CRAIG (PTY) LTD v DUPA CLOTHING INDUSTRIES (PTY) LTD** *supra* at 156 to 157.)

[60] In determining the issue

> "**One postulates neither the very careful nor the very careless buyer, but an average purchaser, who has a general idea in his mind of what he means to get but not an exact and accurate representation of it. Nor will he necessarily have the advantage of seeing the two products side-by-side. Nor will he be alerted to single out fine points of distinction or definition.**"

(See **BLUE LION MANUFACTURING (PTY) LTD v NATIONAL BRANDS LTD** *supra* at 887D – F.)

[61] The hypothetical purchaser contemplated is not to be regarded as a **"moron in a hurry**" (See **MORNING STAR v EXPRESS NEWSPAPERS** [1979]] FSR 113.)

[62] The respondent effectively contends that there has existed a healthy competition between the two products for years without any confusion or deception arising in the market. On its part the applicant sought to rely on the impressions of the consumers of its product in the Western Cape who have not yet been exposed to the STAR product. It is, thus, not disputed by the applicant that in areas in which the two products have co-existed no confusion or deception has been evidenced.

[63] In the circumstances of the present matter, where the two products have been together in the market in their present get-ups since at least 2003, I am convinced that the absence of such evidence carries the day particularly where the similarities cannot be said to overshadow the differences. In this regard

one may only point out that if a reasonable likelihood of confusion or deception exists, it should have existed since 2003 and cases of actual confusion or deception would, most probably, have come to light. The average purchaser would, most probably, be able to distinguish between the two products. The aforegoing accords, in my view, with the respondent-friendly test applicable herein.

[64] The applicant is apparently and obviously concerned about and conscious of the respondent's steady strides into the market and seeks to curb its advances into other areas where it had no presence in the past. South Africa is, however, a unitary state and the two products are allowed a free race in all economic regions and provinces of our country.

**ESTOPPEL**

[65] In the light of my aforegoing findings it is, in my view, not necessary to dwell much on the issue of estoppel save to point out that there exists no evidence before the court to suggest that the applicant is estopped from launching the present proceedings by reason of either consent or acquiescence.

**UNLAWFUL COMPETITION**

[66] For the sake of completeness I may mention that no case of distinct unlawful competition has been made out for the applicant. It is probably on the basis of this realisation that the issue was correctly not pursued in argument by Mr Sholto-Douglas.

**COSTS**

[67] The parties are in agreement that the matter warranted employment of two counsel on both sides and I am in respectful agreement therewith.

**ORDER**

[68] In the result the application is dismissed with costs including the costs of two counsel.

**L. J. LEKALE, J**

On behalf of the applicant: Adv A. R. Sholto-Douglas SC
with Adv B. J. Vaughan

Instructed by:
Weksmans Attorneys
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On behalf of the respondent: Adv. C. E. Puckrin SC
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