

REPUBLIC OF SOUTH AFRICA



IN THE HIGH COURT OF SOUTH AFRICA

GAUTENG DIVISION, PRETORIA

CASE NO.: 2023-133078

(1) REPORTABLE: NO
(2) OF INTEREST TO OTHER JUDGES: NO
(3) REVISED: NO

Date: 22 January 2025

E van der Schyff

In the matter between:

GRUMA S.A.B. DE C.V.

Applicant

and

GRUPO BIMBO S.A.B. DE C.V.

First Respondent

THE COMPANIES AND INTELLECTUAL
PROPERTY COMMISSION

Second Respondent

JUDGMENT

Van der Schyff J

Introduction

- [1] The applicant, Gruma S.A.B. de C.V. ("Gruma"), opposes the registration and seeks an order refusing trade mark application no. 2020/03197 CORN CRACKER SHAPE under class ("the application") 30 in the name of the first respondent, Grupo Bimbo S.A.B. de C.V. ("Grupo Bimbo") on the grounds of sections 9, 10(1), 10(2)(a), 10(2)(b), 10(4), 10(5) and/or 10(11) of the Trade Marks Act 194 of 1993 ("the TMA"). Gruma furthermore seeks that the court directs the second respondent, the Companies and Intellectual Property Commission ("the CIPC"), to remove the application from the register.
- [2] The CIPC waived the right to be joined in the proceedings, abides by the court's decision, consents to and undertakes to give effect to any order made by the court.

Locus standi

- [3] The first question to be considered is whether Gruma established that it is an "interested person" to object to the trade mark application as required in section 21 of the TMA.

Parties

- [4] Gruma is a company that exists under the laws of Mexico. Gruma is the parent company of the Gruma Group of companies. Azteca Milling is a limited partnership under the laws of the State of Texas, United States of America, and a member of the Gruma Group of companies. Azteca Milling manufactures and distributes flour and other products made from corn, including corn-based snacks, such as crackers.
- [5] Gruma claims to be one of the world's leading producers of corn-based foods (including tortillas, corn crackers, corn flour, and wheat flour). Gruma avers that, since 2021, almost a quarter of all tortillas sold throughout the world are produced by it and members of the Gruma group of companies.

- [6] Grupo Bimbo is the trade mark applicant and cited as the first respondent in these proceedings. Grupo Bimbo manufactures and distributes bakery products, including breads, crackers, cookies, pies, pastries, and sweet rolls. Grupo Bimbo, through its various divisions, manufactures and distributes the product Sanissimo Salmas Oven Baked Corn Crackers (“SSO-cracker”), the product relevant to the trade mark application.

Context

- [7] Gruma and Grupo Bimbo are direct trade competitors. One of the products sold by Gruma, its Mission Planitas product, is a product with an almost identical cracker shape, pattern, and ornamentation to that of Grupo Bimbo’s SSO-cracker. Gruma alleged that Grupo Bimbo is seeking to monopolise the particular shape, pattern, and ornamentation of a product under the trademark application and that Gruma wishes to use the same similar shape, pattern, and ornamentation.
- [8] Gruma pointed out that although Grupo Bimbo succeeded in having a trade mark registered in Mexico, its applications to register similar trade marks in Spain, and Portugal failed.
- [9] In answer, Grupo Bimbo, among others, challenged Gruma’s *locus standi* to object to the trade mark application. Grupo Bimbo stated:

‘I note that the Deponent claims that the Applicant is already using an “almost identical” shape, pattern, and ornamentation in respect of its crackers.

The Deponent is, however, careful not to furnish any evidence that the Applicant actually **does so in South Africa** and when such alleged use commenced in South Africa. The Respondent denies that it does. Such alleged use **outside of South Africa** is, I am advised irrelevant.’ [My emphasis]

Discussion re: Gruma's locus standi

- [14] Grupo Bimbo is correct in its submission that the principle of territoriality applies in trade mark law. The principle restricts the legal operation and effect of a trade mark to the territory for which it is to be registered.³ The Appellate Division, as it was known then, held in *Victoria's Secret*⁴ that it follows that the fact that a trade mark is registered and has been used, even extensively used by one person in a foreign country, does not in itself constitute a bar to its adoption and registration by some other person in South Africa.
- [15] While the mere fact that a trade mark is registered in a foreign jurisdiction does not, without more, entitle its holder to similar protection or registration in other jurisdictions, it does not automatically exclude a person from a foreign jurisdiction from asserting that it is an 'interested person' in terms of the TMA. The question of whether a party is an 'interested person' with the necessary standing to object against the registration of a trade mark, is a question that can only be determined in the factual context of each individual matter.⁵
- [16] An applicant opposing the registration of a mark must first show that it is an 'interested person.' It has long been held that the term 'interested person' is 'a phrase of great amplitude' but that it has its limits.⁶ An applicant must establish that it has a 'genuine and legitimate competitive interest in the trade to which the allegedly offending mark relates, and hence in the outcome of the proceedings'.⁷ I agree with the proposition that a person with a substantial, real, and direct interest in the mark itself or in the subject matter of an opposition would qualify as an

³ *Victoria's Secrets Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A).

⁴ *Supra*.

⁵ See *Nieuwoudt v The Master* 1988 (4) SA 513 (A) 522D

⁶ *Ex Parte Stubbs: In re Wit Extensions Ltd* 1982 (1) SA 526 (W) 529H.

⁷ *Danco Clothing (Pty) Ltd v Nu-Care Marketing and Sales Promotions (Pty) and Another* 1991 (4) SA 850 (AD) 855C.

'interested person'.⁸ An applicant must prove that on some or other ground(s) it has a particular interest, a mere general interest will not do.⁹

[17] In determining the issue, it is useful to have regard to principles that were laid down in establishing the meaning of 'any person aggrieved' as it applied previously.¹⁰ Webster and Page,¹¹ highlighted the following relevant principles extracted from case law:

- i. Wherever a trader by means of his trade mark narrows the field into which a competitor may enter or may reasonably be expected to enter in the future, the competitor is a person aggrieved;
- ii. A man in the same trade ... and who desires to deal in the article in question is *prima facie* aggrieved;
- iii. A trading interest, which consists not of an actual trade but a genuine intention to trade, is sufficient to establish that a trader is aggrieved.

[18] *In casu*, Gruma competes with Grupo Bimbo in several jurisdictions, but not in South-Africa. Its trading interest in this matter thus consists not of actual trade, but an alleged intention to trade its product in South Africa. I am alive to Gruma's contention that it does not oppose the registration of the mark on the basis of prior rights or use. However, Gruma will only have standing in these proceedings as an 'interested person' if it succeeds in making out a case that it has a substantial interest in the mark.

[19] An interest in a matter that renders a party an interested person can be established in different ways depending on the facts of the particular matter. *In casu* reliance is placed on the parties being trade rivals, and the possible effect that the registration of the trade mark might have on Gruma if it decides in future to expand its business to South Africa.

⁸ Webster and Page *South African Law of Trade Marks* [Issue 19] 2-14.

⁹ *Danico Clothing (Pty) Ltd*, *supra*.

¹⁰ *South African Football Association v Stanton Woodrush (Pty) Ltd* 2002 (2) SA 236 (T) 239.

¹¹ Webster and Page, *supra*, 13-6.

- [20] While the parties might be trade rivals in other jurisdictions, Gruma is, at most, a potential trade rival of Grupo Bimbo in South Africa. It is, however, not sufficient to regard oneself theoretically as a potential trade rival. To have standing on the basis that it is a potential trade rival, Gruma must establish at least a reasonable possibility that it is a potential trade rival in the sense of:

‘having at the time of registration some definite and present intention to deal in certain goods or description of goods, and not a mere general intention of extending his business at some future time to anything which he may think desirable.’¹²

- [21] Gruma did not explain why it had not extended its business to South Africa to date. Neither did it provide a proposed timeline for any foreseen or planned entry into the South African market. Gruma made a bold averment in its replying affidavit but did not substantiate it with facts. The remark made in passing in the replying affidavit that Gruma reasonably wishes to distribute its product in South Africa in the future, is not sufficient to establish that a reasonable possibility existed that Gruma had and has the intention of expanding its business to South Africa in the foreseen future.
- [22] No facts or detailed information was provided underpinning this general and vague belated statement of intent. Gruma failed to establish that it has a definite, genuine, and present intention of becoming a trade rival of Grupo Bimbo in South Africa. In this regard, Gruma’s position is distinguishable from the applicant in *Danco Clothing (Pty) Ltd*,¹³ and the application stands to be dismissed on the basis that Gruma lacks the necessary *locus standi*.

Costs

¹² *J Batt and Company* [1898] 15 RPC 534 (CA) at 538, cited with approval in *Ritz Hotel Ltd v Charles of the Ritz Ltd and Another* 1988 (3) SA 290 (A) at 310C.

¹³ *Supra*.

[23] As for costs, the general principle is that costs follow success. Having considered the complexity of the issues, it is justified that costs be costs on Scale B.

ORDER

In the result, the following order is granted:

- 1. The applicant's opposition is dismissed with costs on scale B.**



E van der Schyff
Judge of the High Court

Delivered: This judgment is handed down electronically by uploading it to the electronic file of this matter on CaseLines.

For the applicant:	Adv. P. Cirone
Instructed by:	Spoor & Fisher
For the respondent:	Adv. K Iles
Instructed by:	Hahn & Hahn
Date of the hearing:	18 November 2024
Date of judgment:	22 January 2025