

Legal summary : Page Automation (Pty) Ltd v Profusa Properties Cc t/a
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1. The plaintiff is a supplier of office equipment which it provided to the defendant. A five year rental agreement was entered into between the financier of the equipment and the defendant. The rental agreement provided, inter alia, that the financier could cede its rights title and interest in the agreement (including ownership) to any party without giving notice to the defendant.
2. It is common cause that the defendant defaulted on its rental obligations within the first year. Once this occurred the financier invoked its re-purchase agreement with plaintiff to whom it ceded 'its claim ... in terms of the agreement'. The plaintiff then sued the defendant for arrear rentals, future rentals and delivery of the equipment as provided for in the agreement.
3. The defendant admitted liability for the arrears owing as at the date of the cession and raised two special pleas. Firstly, that the plaintiff has no locus standi to claim delivery of the equipment as it is not owner thereof; ownership is incapable of being ceded and therefore still vests in the financier. Secondly, that the cession provided only for the 'claim' to be ceded and therefore any future rentals owing after the date of the cession were excluded.
4. It was held that the law has developed so to allow for cession of ownership of incorporeals either as an extension of attornment or as a new form of constructive delivery. In respect of the future rentals it was held that the construction of the cession provided for future rentals. The special pleas were dismissed and the defendant ordered to make payment to the plaintiff and to deliver the office equipment.