

IN THE HIGH COURT OF SOUTH AFRICA



GAUTENG LOCAL DIVISION, JOHANNESBURG

CASE NO: 2013/22608

**DELETE WHICHEVER IS NOT APPLICABLE**

- (1) REPORTABLE: YES
- (2) OF INTEREST TO OTHER JUDGES: YES
- (3) REVISED:

In the matter between:

IMPALA PLATINUM HOLDINGS LIMITED

Applicant  
(First Respondent in  
Counter-application)

And

IMPALA WAREHOUSING AND LOGISTICS AFRICA  
(PROPRIETARY) LIMITED

First Respondent  
(Applicant in the  
Counter-application)

IMPALA WAREHOUSING AND LOGISTICS

Second Respondent

THE COMPANIES AND INTELLECTUAL PROPERTY  
COMMISSION

(Second Respondent  
in the counter application)

Coram: L J VAN TONDER A J

Heard: 9 to 11 September 2014

Delivered: 11 December 2014

Summary:

Trade marks – Trade Marks Act 194 of 1993 (“the Act”) - principles applicable to infringement and counter-application for expungement.

Applicable test - whether goods and services are so similar to those for which the trade marks had been registered, that it gives rise to a “likelihood of deception or confusion”.

Goods compared to services – similarity - relevance of the distinction between goods and services in the 45 classes in Schedule 3 to the Act – different classes indication of no similarity.

Schedule 3 classification – starting point and important in determining similarity of goods and services – goods different to services.

Practice – motion proceedings – founding affidavit should include explanation of matters contained and relied upon in attachments.

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JUDGMENT

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L J VAN TONDER A J:

A: GENERAL INTRODUCTION

[1] Impala Platinum Holdings Limited (“Implats”) applied in June 2013 in reliance on section 34 of the Trade Marks Act 194 of 1993 (“the Act”) and passing-off principles for interdictory and ancillary relief against Impala Warehousing and Logistics Africa (Proprietary) Limited (“IW”). Implats thus sought to bring an end to the alleged trespassing on its commercial domain by the infringing use by IW of the trade marks (“IMPALA” and “IMPALA PLATINUM”).

[2] In the current offensive Implats operates, in broad terms, in the field of mining, processing and marketing of platinum and related goods (essentially trading in goods). IW, in broad terms, operates in warehousing, transport and related logistics (essentially providing services).

[3] At the heart of both trenches chosen by Implats lies the contention that the respective goods and services of the enterprises are so similar to those for which the trade marks had been registered by Implats, that the use by IW gives rise to “a likelihood of deception or confusion”, constituting trade mark infringement in addition to passing-off. In broad terms Implats had to establish “a likelihood of deception or confusion” to succeed in terms of section 34(1)(b) and, in similar terms, as one of the *facta probanda* for relief based on passing-off.<sup>1</sup>

[4] In retaliation IW counter-applied in terms of section 24 and 27 of the Act to expunge or restrict the registered trade marks of Implats in order to redefine the trade mark boundaries contended for by Implats. The essential basis for the counter-application is that the absence of bona fide intended or actual use by Implats of the trade marks justifies an expungement or limitation of the ambit of the registered trade marks.

[5] The battle lines on these issues were drawn in the course of some 1000 pages of opposed motion, with reference to various provisions of the Act and the legal principles applicable to unlawful competition (passing-off in particular). On that platform, expert senior counsel in the field (each assisted by an able junior) argued for almost three days on various legal and factual disputes crystallised in the papers. Argument included scrimmages over admissibility of

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<sup>1</sup> Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd (“the Adcock Ingram case”) 1977 (4) SA 434 at 436 H - 437 B; The Jennifer Williams case *infra*, at 418 H.

evidence, strikeouts and procedural issues in relation to disputes of fact on affidavit. Broadly, however, the main substantive issues argued were:

- (i) whether the admitted use of the Implats' "IMPALA/Impala" trade mark related to similar goods or services;
- (ii) if so, whether in such use the likelihood of deception or confusion existed;
- (iii) whether IW's conduct constituted passing-off; and
- (iv) whether Implats' actual or intended use of the trade mark justified expungement or amendment of the registered trade marks.

[6] This campaign over disputed trade territory has to be resolved through enforcement of the registration and limitation or de-registration (expungement) of the impugned trade marks and as possible ally the common law principles applicable to passing-off.

[7] As already alluded to, trade mark battles resemble territorial strife. Typically the parties compete for commercial dominium in relation to their trade activities, involving in particular the origin of specific goods and sometimes services, marketed and supplied under a particular proprietary banner.

[8] Once a trade mark owner, like Implats, perceives such competing use of similar or identical trade marks to create a "likelihood of deception or confusion" to the actual or prospective users of the products or services, legal forces are normally deployed, exemplified in this matter.

[9] As a prologue to the campaign to determine the "likelihood of deception or confusion" it would assist to summarise the broad legal matrix relevant to the opposing contentions:

- (i) According to well-established principles, a trademark serves as a badge of origin, in the sense that it identifies and guarantees the trade origin of the goods/services to which it applies (see, for example, *Verimark (Pty) Ltd v BMW AG; BMW AG v Verimark (Pty) Ltd* 2007 (6) SA 263 (SCA) paras 4 – 5).

- (ii) The underlying legal principles applicable to this type of commercial conflict seek to strike a balance between two extremes: (i) sanctity of the registered boundaries of the trade origin of goods/services (as a valuable means of trade success) as an instigator for economic enterprise and entrepreneurship versus (ii) unjustified monopoly over goods/services in the form of anti-competitive preclusion through trade mark registration which stifles commercial endeavour. (See below references to Foschini Retail Group (Pty) Ltd v Coetzee, par [24] of the unreported judgment)
- (iii) Those who wish to compete in commerce are entitled to challenge the mere annexation or the passive occupation of idle commercial territory under the banner of trade mark registration.
- (iv) If a trade mark is registered in a particular class of goods or services, but not used or intended to be used, such a squatter may be evicted through the mechanisms of the Act for the benefit of actual use by others, alternatively the claimed territory may be reduced to depict actual use – so as not to preclude justified use by others.
- (v) The legitimate purpose of a trade mark<sup>2</sup> is to be used bona fide in the course of trade<sup>3</sup> as symbol and sign of trade origin<sup>4</sup> (in relation to<sup>5</sup> and to distinguish goods or services from “similar”<sup>6</sup> goods or services used by others)<sup>7</sup>, but not to prevent or inhibit competition.<sup>8</sup>

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<sup>2</sup> See s2(1)(xxiii) where a trade mark is defined.

<sup>3</sup> See *Beecham Group plc v Southern Transvaal Pharmaceutical Pricing Bureau (Pty) Ltd* 1993 1 SA 546 (A) at 557F – 558I read with court *a quo* in 1992 2 SA 213 (W) from 218 onwards.

<sup>4</sup> See in general *Verimark (Pty) Ltd v BMW AG* 2007 6 SA 263 (SCA) par [5] – [7].

<sup>5</sup> See s2(3) and *Abbot Laboratories v UAP Crop Care (Pty) Ltd* 1999 3 SA 624 (C) [1999] 1 All SA 502 (C) at 512d-g; *National Chemicals Limited v Amblins (Chemicals) Ltd* (1940) 57 RPC 323 at 332; and compare *Société Monsavon I; Oreal v Coiffeur Supplies Ltd* [1961] RPC 219 and *Royal Baking Powder (Pty) Ltd v Wollion Enterprises (Pty) Ltd* (unreported) 1983 12. Use in relation to services see *Abdulhay M Mayet Group (Pty) Ltd v Renasa Insurance Co Ltd* 1999 4 SA 1039 (T) at 1045I to 1046C.

<sup>6</sup> *Foschini Retail Group (Pty) Ltd v Coetzee* (A1/11) [2013] NGHC (18 January 2013), paragraphs [21] – [27], per A A LOUW J.

- (vi) Statute (on Provincial level since 1877 and National level since 1916) and common law, through the principles of Roman-Dutch law on passing-off and unlawful competition govern this field.<sup>9</sup>
- (vii) Statute facilitates the registration and enforcement of existing rights in a unique manner, which expanded common law principles substantially. The Act is largely based on United Kingdom and European Community legislation<sup>10</sup> subject to relevant constitutional context.<sup>11</sup>
- (viii) In essence the legislation aims to administer trade mark registration to facilitate inexpensive prima facie proof of use and reputation acquired through such use. Without registration, no infringement proceeding can be brought.
- (ix) Section 11(1) provides that trade mark registration has to happen with reference to the 45 classes of goods and services defined in Schedule 3 to the Trade Mark Act (also known as the Nice Classification<sup>12</sup>).

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<sup>7</sup> See definition s 2(1)(xxiii) of the Act and cf *Abbot Laboratories v UAP Crop Care (Pty) Ltd* 1999 3 SA 624 (C); *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd* 2000- 2 SA 771 (SCA) 777H; *Canon Kabushiki Kaisha v Metro- Goldwyn-Mayer Inc* [1999] RPC 117 (ECJ) 133; *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2003] RPC 2 14 (ECJ) par 22; *Glaxo Group v Dowelhurst Ltd (No 2)* [2000] FSR 529 (ChD) 540 -541; *Cowbell AG v ICS Holdings (Pty) Ltd* 2001 3 SA 941 (SCA) 948A; *Beechham Group Plc v Triomed (Pty) Ltd* 2003 SA 639 (SCA) par [7] – [8]; *AM Moolla Group Limited and Others v The Gap Inc and Others* 2006 4 SA 275 par [38] – [40]; *L’Oreal SA v Bellure NV* [2007] RPC 14 328 (ChD) par [97] – [100]; *Elleni Holdings BV v Sigla SA* [2005] ETMR par [40]; *Arsenal Football Club v Reed* [2003] RPC 9.

<sup>8</sup> Cf *Société des Produits Nestlé SA v Cadbury* [2013] RPC 14 (ChD) par 20; *Commercial Auto Glass (Pty) Ltd v BMW AG* 2007 6 SA 637 (SCA) par [8] and *Lubbe NO v Millenium Style* 2006 6 241 SCA par [22] – [23].

<sup>9</sup> *Policansky Bros Ltd v L&H Policansky* 1935 AD 89 at 97.

<sup>10</sup> Cf *Century City Apartments Property Services CC v Century City Property Owners’ Association* 2010 3 SA 1 (SCA) par [25] – [26].

<sup>11</sup> Cf *Laugh it Off Promotions CC v SAB International (Finance) BV* 2005 2 SA 46 SCA and *Laugh it Off Promotions CC v SA Breweries International (Finance) BV t/a Sabmark International* 2006 1 SA 144 (CC).

<sup>12</sup> **The Nice Classification** is a short name for **International Classification of Goods and Services (ICGS)** for the Purposes of the Registration of Marks established under the Agreement on Classifications (the Nice Agreement) designed for trademarks registration. International Classification of Goods and Services for the Purposes of the Registration of Marks consists of 45 classes: classes of the Nice Classification from 1 to 34 are attributed to goods, and classes from 35 to 45 are services. Names of the classes of the Nice Classification specify in the most general terms those fields to which goods and services are related to. The provisions of section 27(1)(a) suggests The goods or services has to be specified with reference to the proprietor’s real trade interests, as opposed to merely referring to the class in general. For a general discussion see *Arjo Wiggins Ltd v Idem (Pty) Ltd* 2002 1 SA 591 (SCA)

- (x) Since 1971 trade marks can, in addition to goods, also be registered in respect of services. A cyber search on relevant jurisprudence indicate that even with the facility of a legislative straight-jacket, trade mark disputes continue to thrive in a world of its own.<sup>13</sup>
- (xi) There must be a connection in the course of trade between the goods and services and the registered proprietor of the mark, i.e. only goods and services in the course of trade, not philanthropic, charitable or non-commercial purposes.<sup>14</sup> In the same context, in determining “genuine use” it cannot be “just internal use by the undertaking concerned”<sup>15</sup>.
- (xii) Counsel for both parties were asked during argument to consider the relevance of the as yet unreported judgement in Foschini Retail Group (Pty) Ltd v Coetzee (A1/11) [2013] NGHC (18 January 2013), paragraphs [21] – [27]. The judgment emphasised direction towards limiting the specification of goods or services in relation to actual use based on a “marked trend to limit anti-competitive practices”; the effect of electing not to register in a particular class; the importance of classification system as the starting point to the assessment of similarity and the effect of goods/services being in different classes. The conclusion was reached that based on the principles in the judgment, in the context of the words “similar to the goods or services” in section 10(14) a court “can not lightly find similarity”. The Full Bench held per A A LOUW J as follows:

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at 602B – 604D. For the importance of the as yet unreported judgment of the full bench in Foschini Retail Group (Pty) Ltd v Coetzee (A1/11) [2013] NGHC (18 January 2013), paragraphs [21] – [27], per A A LOUW J.

<sup>13</sup> See for example Jeffrey M. Samuels and Linda B. Samuels, *Trademark Jurisprudence of Judge Rich*, 56 American University Law Review 761 (2007) from which the almost eccentric nature of trade mark litigation in the United States, as dealt with by a specific judge appears. His judgments emphasised the importance of commercial reality in resolving trade mark issues.

<sup>14</sup> Cf Tool Wholesale Holdings (Pty) Ltd v Action Bolt (Pty) Ltd 1991 2 SA 80 (A) at 91F.

<sup>15</sup> Ansul BV v Ajax Brandbeveiliging BV [2003] RPC 40 717 (ECJ) 725; *Reckitt Benckiser South Africa (Pty) Ltd v Colgate-Palmolive Company* 2004 BIP 56 (RTM) at 61.

“[27] The trade mark classification system has been put into place so as to permit similar (or even identical) trade marks to exist and be used in relation to different goods/services by different proprietors. This is because there is simply no danger of consumers being deceived as to the origin of these goods and there should therefore be no bar to different proprietors adopting the same mark for use in relation to goods which are not similar. By way of illustrative example, consumers are very unlikely to be confused into thinking that COBRA floor polish, COBRA golf clubs, COBRA taps and COBRA motor cars all originate from the same source. Similarly, POLO clothing and POLO vehicles obviously do not originate from the same source either. The starting point for an assessment of similarity must therefore be with reference to the classification system itself. The fact that the goods/services are in different classes would indicate, at least prima facie, that the goods and services are not similar. (emphasis added)”

- (xiii) In the context of expungement issues the Full Bench quoted with approval the following extract:

“[26] In Webster and Page the following is said:

“The general tenor of the 1993 Act is in the direction of limiting specifications to goods or services in relation to which the applicant actually proposes to use his mark. This appears in particular from provisions of section 27(1)(a) which provides for a partial expungement in cases where the applicant did not have a bona fide intention to use the mark in relation to all the goods or services contained in his specification and the introduction of provisions which protect a mark from infringement in relation to similar goods or services to those which the mark is registered. The wider the ambit of the specification, the wider the ambit of “similar” goods or services, and allowing unduly wide specifications of goods or services, beyond those in respect of which the applicant uses or proposes to use his mark, would otherwise provide the trade mark proprietor with an unreasonably wide monopoly”. (See E Webster and G E Morley Webster and Page South African Law of Trade Marks (4<sup>th</sup> edition) par 8.23.)



[10] Within this context Implats contends that its mark “IMPALA” and “IMPALA PLATINUM” is being trespassed upon by the use thereof in trade by IW. In order to narrow down the ultimate boundaries and alleged infringement it is necessary to set out the registered trade marks. To facilitate the ultimate findings in relation to the multitude of disputes in the papers, the relevant statutory and common law framework relied upon by the parties should then be summarised. This will be followed by an analysis of the factual disputes on the papers and finally the detailed legal nuances applicable to the opposing contentions. The latter involves a comparison of the contentions relating to opposing trade activities and the counter-application aimed at restricting the ambit of the Implats trade marks.

#### B: THE IMPUGNED TRADE MARKS

[11] It is not in dispute that Implats is the registered proprietor in South Africa of the following trade mark registrations:

- (i) no. 98/08322 IMPALA in class 1 in respect of:

“Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry”;

- (ii) no. 98/08323 IMPALA in class 6 in respect of:

“Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and

wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes, goods of common metal not included in other classes; ores”;

(iii) no. 98/08324 IMPALA in class 36 in respect of:

“Insurance; financial affairs; monetary affairs; real estate affairs”;

(iv) no. 98/08325 IMPALA in class 40 in respect of:

“Treatment of materials”;

(v) no. 98/08326 IMPALA in class 42 in respect of:

“Providing of food and drink; temporary accommodation; medical; hygienic and beauty care; veterinary and agricultural services; legal services; scientific and industrial research; computer programming; services that cannot be placed in other classes”; and

(vi) no. 2008/28896 IMPALA PLATINUM in class 14 in respect of:

“Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments”.

[12] The trade mark registrations referred to paragraphs (i) to (v) all date back to 15 May 1998 and the trade mark registration referred to in paragraph (vi) dates back to 10 December 2008.

[13] The reputation of Implats and the fact that trade marks have become valuable assets are not in dispute between the parties. It is, however, actively disputed whether Implats has any reputation in respect of the services rendered by IW. In respect of trade mark registration in 6 classes, Implats contends that annual turnover ranging between R12 to R34 billion, and average

advertising expenditure of some R7 million per annum, indicate that significant reputation and value attach to it. The counter-application for expungement, however, challenged the territorial ambit of the registered trade marks in various respects.

## C: THE APPLICABLE LEGAL MATRIX

[14] The relief against infringement was sought by Implats in terms of section 34(1)(b):

“34.(1) The rights acquired by registration of a trade mark shall be infringed by-

(a) ....

(b) the unauthorised use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion;”

[15] IW’s counter-attack was in terms of section 24(1) read with section 27(1)(a) alternatively section 27(1)(b). It involved various claims for expungement of Implats’ trade mark registration nos. 98/08322-26 IMPALA in classes 1, 6, 36, 40 and 42, based on the alleged limited scope of intended or actual use in relation to goods and services. In the alternative IW seeks in terms of section 24(1) and section 27(1)(a) partial expungement in relation to:

- (i) trade mark registration no. 98/08323 “IMPALA” in class 6, of the registration in relation to all of the goods for which the trade mark is registered save and except for the goods and services in respect of which trade mark use is proved;

- (ii) trade mark registration no. 98/08325 “IMPALA” in class 40, of the registration by the amendment of the specification of services to read: “Refining of platinum and platinum group materials”; and
- (iii) trade mark registration no. 2008/28896 “IMPALA PLATINUM” in class 14 by the amendment of the specification of goods to read: “Platinum and platinum group metals falling within the class”

[16] Section 24(1) of the Trade Marks Act reads as follows:

“General power to rectify entries in register

(1) In the event of non-insertion in or omission from the register of any entry, or of an entry wrongly made in or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply to the court or, at the option of the applicant and subject to the provisions of section 59, in the prescribed manner, to the registrar, for the desired relief, and thereupon the court or the registrar, as the case may be, may make such order for making, removing or varying the entry as it or he may deem fit.”

[17] Sections 27(1)(a) and (b), 27(3) and 27(5) of the Trade Marks Act read as follows:

"Removal from register on ground of non-use:-

- (1) Subject to the provisions of section 70(2), a registered trade mark may, on application to the Court, or, at the option of the applicant and subject to the provisions of section 59 and in the prescribed manner, to the Registrar by any interested person, be removed from the register in respect of any of the goods or services in respect of which it is registered on the ground either –

- (a) that the trade mark was registered without any bona fide intention on the part of the applicant for registration that it should be used in relation to those goods or services by him or any person permitted to use the trade mark as contemplated by section 38, and that there has in fact been no bona fide use of the trade mark in relation to those goods or services by any proprietor thereof or any person so permitted for the time being up to the date three months before the date of the application;...
- (b) that up to the date three months before the date of the application, a continuous period of five years or longer has elapsed from the date of the issue of the certificate of registration during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof or any person permitted to use the trade mark as contemplated in section 38 during the period concerned;
- (c) ...
- (2) ...
- (3) In the case of an application in terms of paragraph (a) or (b) of subsection (1) the onus of proving, if alleged, that there has been relevant use of the trade mark shall rest upon the proprietor thereof.
- (4) ...
- (5) Subsection (1) (a) and (b) does not apply to a trade mark in respect of which protection may be claimed under the Paris Convention as a well-known trade mark within the meaning of section 35(1) of this Act.” (emphasis added)

[18] Section 31 of the Trade Marks Act provides as follows:

"31. Use of one associated or substantially identical trade mark equivalent to use of another:-

- (1) When under the provisions of this Act use of a registered trade mark is required to be proved for any purpose, the Registrar or the Court, as the case may be, may, if in so far as he or it deems fit, accept proof of the use of an associated registered trade mark or of the trade mark with additions or alterations not substantially affecting its identity, as equivalent to proof of the use required to be proved.
- (2) The use of the whole of a registered trade mark shall for the purposes of this Act be deemed to be the use also of any registered trade mark being a part thereof and registered in the name of the same proprietor by virtue of subsection (1) of section 18."

[19] Section 35 of the Trade Marks Act provides as follows:

"35. Protection of well-known marks under Paris Convention.

- (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark, are to a mark which is well known in the Republic as being the mark of—
  - (a) a person who is a national of a convention country; or
  - (b) a person who is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not such person carries on business, or has any goodwill, in the Republic.

- (1A) In determining for the purposes of subsection (1) whether a trade mark is well-known in the Republic, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark. [Sub-s. (1A) inserted by s. 65 (a) of Act No. 38 of 1997.]
- (2) A reference in this Act to the proprietor of such a mark shall be construed accordingly.
- (3) The proprietor of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark is entitled to restrain the use in the Republic of a trade mark which constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of the well-known trade mark in relation to goods or services which are identical or similar to the goods or services in respect of which the trade mark is well known and where the use is likely to cause deception or confusion.
- (4) Where, by virtue of section 10 (8), the authorization of the competent authority of a convention country or an international organization is required for the registration of a mark as a trade mark, such authority or organization is entitled to restrain the use in the Republic of such a mark without such authorization. [Sub-s. (4) added by s. 65 (b) of Act No. 38 of 1997.]”

**D: THE BASIC PRINCIPLES APPLICABLE TO PASSING-OFF**

[20] In Jennifer Williams & Associates & Another v Life Line Southern Transvaal ("the Jennifer Williams case") 1996 (3) SA 408 (A) at 418 D - G the SCA has defined passing-off as:

"A species of wrongful competition in trade or business. In its classic form it usually consists in A representing, either expressly or impliedly (but almost invariably by the latter means), that the goods or services marketed by him emanate in the course of business from B or that there is an association between such goods or services and the business conducted by B. Such conduct is treated by the law as being wrongful because it results, or is calculated to result, in the improper filching of another's trade and/or in an improper infringement of his goodwill and/or in causing injury to that other's trade reputation. Such a representation may be made impliedly by A adopting a trade name or get-up or mark for his goods which so resembles B's name or get-up or mark as to lead the public to be confused or to be deceived into thinking that A's goods or services emanate from B or that there is the association between them referred to above."<sup>16</sup>

[21] An applicant must establish the following two essential requirements in order to succeed in a passing-off application:<sup>17</sup>

- (i) his name, mark, sign or get up has become distinctive in the sense that they are regarded, by a substantial number of members of the public or in the trade, as coming from a particular source known or unknown; and
- (ii) that the use of the feature concerned is likely or calculated, to deceive, and thus cause confusion and injury, actual or probable, to the goodwill of his business.

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<sup>16</sup> Jennifer Williams & Associates & Another v Life Line Southern Transvaal ("the Jennifer Williams case") 1996 (3) SA 408 (A) at 418 D - G; See also: Capital Estates & General Agencies (Pty) Ltd & Others v Holiday Inns Inc (the "Capital Estates case") 1977 (2) SA 916 A at 929 C - D; Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd (the "Caterham Case") 1988 (3) SA 938 (SCA) at paras 15 - 16.

<sup>17</sup> Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd ("the Adcock Ingram case") 1977 (4) SA 434 at 436 H - 437 B; The Jennifer Williams case *supra*, at 418 H.



[22] It is apparent that the second requirement substantially resembles the phrase in section 34(1)(b) of the Act “the likelihood of deception or confusion”. Evidence in support of infringement and passing-off would overlap in this regard, alternatively, the inability to establish “the likelihood of deception or confusion” in relation to infringement, on the facts of this matter, would preclude relief based on passing-off in view of the fact that “likely” constitutes a lower threshold than “calculated”.

E: THE ESSENTIAL ISSUES ARISING FROM THE AFFIDAVITS

[23] Ms Stefanie Vivier, Implats’ in-house corporate lawyer, deposed to the founding papers and to most subsequent sets of affidavits. When deposing thereto she had some 10 year involvement with the Implats group of companies. She alleged that she has sound knowledge of Implats’ business activities, trade marks and “goods and services”.

[24] In support of the terse allegations in the founding papers she relied to a large extent on corporate marketing material and pictures relating to the respective companies’ activities. These documents were simply attached to the papers, with little if any attempt to substantiate the contents with first hand direct evidence. The legal position in relation thereto is dealt with below. Eventually, however, due to admissions by IW and vice versa the arguments narrowed down to a debate as to whether copper, cobalt, nickel, gold and silver constituted goods of Implats and whether IW provided the service of blending metals or chemicals. This debate was aimed at defining the crossover between the goods or services of the respective companies, the argument being that IW transported such products, being the same goods in which Implats traded.

[25] Ms Vivier alleged the following with regard to Implats:

- (i) It conducts significant business in respect of, inter alia, mining, refining and marketing platinum group metals (“PGM’s”), including platinum, palladium,

rhodium, ruthenium and associated base metals. It also mines, refines and sells nickel, copper and cobalt.

- (ii) Its primary operating unit and wholly owned subsidiary is Impala Platinum Limited which accounts for 50% of its total platinum production. Impala Platinum Limited has operated under its current name since 25 April 1968. Prior to that, Impala Platinum Limited operated under the name Impala Prospecting Company Limited. Impala Platinum Limited, as trade mark licensee and operating subsidiary of Implats, has made extensive use of Implats' IMPALA name and trade marks since October 1963 (i.e for over 50 years).
- (iii) It has made continuous use of its IMPALA trade marks (identified below) in respect of various aspects of its business and has, as a result of such use, acquired a significant reputation in respect of its business of mining, refining and selling of PGM's and nickel, copper and cobalt. The IMPALA trade marks qualify as well-known trade marks for the purposes of the Trade Marks Act.
- (iv) Its business also consists of mineral processes, comprising concentrator- and smelter plants. At the concentrator plants, the mined ore is converted into a concentrate and at the smelter plants the concentrate is smelted to produce a matte prior to refining.
- (v) Its assets also consist of base metal and precious metal refineries. Metals such as nickel, copper and cobalt are refined at the base metals refinery and metals such as platinum, PGM's and gold are refined at the precious metals refinery.
- (vi) Its subsidiary, Impala Refining Services (Pty) Ltd uses its excess smelting and refining capacity to process the concentrate and matte produced by its various mine-to-market group operations, as well as material purchased from third party companies. Impala Refining Services (Pty) also undertakes toll-refining and recycling on behalf of other companies. Typical products of Impala Refining

Services include flotation concentrates, furnace matte, spent autocatalysis and selected base metal residues and other secondary materials.

- (vii) Finally Ms Vivier alleged that Implats has also, for many years and on a daily basis, used the IMPALA trade marks in respect of transport services. It has used vehicles bearing the IMPALA trade mark in respect of such services.

[26] The founding papers attached various examples of the use of the name and the mark by Implats and in turn how IW uses “Impala”, as opposed to “IMPALA”. It is, however, not in dispute on the papers that the respective marks are similar or identical. IW disputes that it is deceptively similar. Significantly, if not confusingly, the name “IMPLATS” with “Distinctly Platinum” underneath it appears in the many of the examples attached in support of the founding papers. “IMPALA” is mostly referred to in the examples as “Member of the Implats Group” in exactly the same style as “MARULA”, “ZIMPLATS” and “AFPLATS”, as opposed to “the Impala Group”. The website of IP is “www.implats.co.za”, which indicates that “Impala” is an operational unit of “Implats”. It appears that most email addresses resemble “alice.lourens@implats.co.za”. These hybrid features of corporate trade marking, evident from the founding and replying papers have to be taken into account in considering “the likelihood of deception or confusion” in relation to the trade of Implats. It appears to weigh in favour of IW’s position with regard to the absence or watering down of such likelihood. Additional considerations are evaluated specifically below.

[27] IW, according to its answering affidavit:

- (i) is a South African company which conducts business in South Africa under the trading style IMPALA AFRICA and/or IMPALA WAREHOUSING AND LOGISTICS.
- (ii) has a Dutch holding company, Trafigura Beheer BV (“Trafigura”). Trafigura is a global commodity and logistics house which trades in various products, including crude oil, petroleum products, non-ferrous concentrates (such as copper concentrates), refined metals and bulk commodities (such as coal). Insofar as

metals are concerned, Trafigura trades primarily in base metals or industrial metals such as copper, lead, zinc, nickel and aluminium. Trafigura provides logistics, warehousing and transportation services through its “Impala subsidiaries” (including IW).

- (iii) specialises in the storage and transportation of bulk commodities and in the logistical operations that relate thereto. On its website, IW describes itself as a global warehousing and logistics company, specialising in the transportation and storage of metals, minerals and coal. IW commenced trading in 2010, albeit under a different name, being CONGO FREIGHT. It apparently rebranded to IMPALA AFRICA and IMPALA WAREHOUSING during 2012.
- (iv) the persons who are interested in the services of the Impala companies, including IW, are those engaged in the business of mining, trading and processing non-ferrous concentrates, refined metals, iron ore, coal and other bulk commodities and that it is the bulk commodities supply chain worldwide that is of interest to the Impala companies and their customers.
- (v) the companies in the Trafigura group named Impala currently provide logistics, storage and transportation facilities for bulk commodities in Asia, Europe and North and South America and the customers for these commodities are, in general, mining operations.
- (vi) although it does not yet provide services for producers of bulk commodities such as iron ore, coal, bauxite and alumina (or similar commodities) in South Africa, it has an interest in doing so in the future.
- (vii) currently the activities of IW (which are administered in Johannesburg) are centred on the mines in the Democratic Republic of Congo (“DRC”) and Zambia.

- (viii) since 2006, Trafigura and subsequently IW have been involved in improving the logistics, transportation and infrastructure for the movement of bulk concentrates and refined metals from the mines in the DRC and Zambia to ports in South Africa where the commodities are transhipped to the ultimate buyers located in various parts of the world.
- (ix) it has been instrumental in the improvement of the rail network from the mines in the DRC and Zambia to the ports in South Africa and has established modern loading and handling facilities for the purposes of transporting in bulk from the various mines.
- (x) its expertise in Africa specifically relates to the logistics of, inter alia, copper and cobalt exports and the handling of cobalt, copper and nickel.

[28] IW contends that the business of Implats is limited to the mining, refining and marketing of PGM's and concedes a reputation in the trade marks IMPALA and IMPALA PLATINUM in relation to that business.

[29] According to IW, its business in South Africa constitutes the rendering of logistical, storage and transportation services in relation to bulk concentrates and refined metals emanating from mines in the DRC and Zambia.

[30] Insofar as IMPALA PLATINUM, on the one hand, and IMPALA AFRICA and IMPALA WAREHOUSING AND LOGISTICS, on the other hand, are concerned, there appears to be widespread use of the mark "IMPALA" in various industries.

[31] It was not disputed by Implats that there are many registrations for IMPALA in various of the 45 classes, suggesting that the mark has been registered for a wide variety of goods and services.

[32] IW attached to its papers extracts from telephone directories indicating a number of businesses in various industries using the mark IMPALA.

[33] The descriptive words used with Impala often indicate the kind of business concerned such as Impala Fishing and Impala Scrap Metal.

[34] IW argued that these descriptive terms serve to distinguish one Impala entity from another. Implats confirmed this in response to evidence of the number of registered corporate entities incorporating the mark IMPALA. Ms Vivier stated ‘...many of these entities are clearly distinguishable from the Applicant and can be disregarded’. Mr Morley SC (ably assisted by Ms Southwood) argued that this can only be on the basis of the descriptive words in the corporate names.

[35] Broadly speaking, it is apparent that PLATINUM, on the one hand, and AFRICA and WAREHOUSING AND LOGISTICS, on the other hand, serve to distinguish between each party’s marks and thus each party’s goods and services.

[36] Mr Ginsburg SC, (ably assisted by Ms Kilmartin) argued that although the goods and services offered by Implats and IW are not identical, a common field of activity is not a requirement for the relief sought by Implats. They argued, however, that the parties do operate in common fields of activity in relation to warehousing and transportation in nickel and copper and this increases the likelihood of deception and confusion. After nearly three days of argument, this appears to be the high water mark of the alleged crossover between the two companies.

[37] It is clear that IW is also transporting and warehousing some of the goods that Implats mines (copper and nickel) to and from, inter alia, customers or potential customers of Implats or persons interested in Implats’ goods or services, or persons familiar with Implats.

[38] On behalf of Implats it was argued that it is clear from the instances of confusion that have occurred, that the respective fields of activity are not so far removed from each other as to negate any likelihood of confusion. Mr Ginsburg SC urged that a likelihood of confusion is a genuine concern on the part of Implats, because IW, through its activities, clearly does interact with persons interested in Implats’ goods or services or persons familiar with Implats and this has led to instances of actual confusion. This submission will be tested below.

## F: THE LIKELIHOOD OF DECEPTION OR CONFUSION

[39] As already indicated, during argument counsel for both parties submitted that the fundamental issue in dispute, as far as trade mark infringement is concerned, is whether the parties' respective goods and services are sufficiently similar that, in use of the IMPALA trade mark by both parties, there exists the likelihood of deception and/or confusion. This is also the key issue that Implats had to establish in relation to passing-off. Although other arguments have been raised, it appears that this issue could be decisive in respect of both grounds for relief relied upon by Implats. Two other considerations appear to be of ancillary relevance, if not destructive of the relief sought by Implats. Firstly the common use of "IMPALA" as a registered trade mark, coupled with distinctive additional words, and secondly the significance of the failure by Implats not to register its trade marks in class 39 "Transport; packaging and storage of goods; travel arrangements.". Save for the latter element in class 39, it appears to be exactly the field of trade of IW, leaving it free to register a trade mark in that field, alternatively precluding Implats complaining because "the fact that it did not choose to register in any of the classes [in which IW operates] is telling."<sup>18</sup>. The distinction between goods and services in the 45 classes is a substantive guideline, providing prima facie evidence against similarity arguments. The four notional components of trade differ materially<sup>19</sup>. On behalf of IW it was argued that the evidence in support of the relief should be disregarded on various technical grounds.

[40] It is trite that '[m]otion proceedings, unless concerned with interim relief, are all about the resolution of legal issues based on common cause facts. Unless the circumstances are special they cannot be used to resolve factual issues because they are not designed to determine probabilities. It is well established under the Plascon-Evans rule that where in motion proceedings disputes of fact arise on the affidavits, a final order can be granted only if the facts averred in the applicant's (Mr Zuma's) affidavits, which have been admitted by the respondent (the NDPP), together with the facts alleged by the latter, justify such order. It may be different if the respondent's version consists of bald or uncreditworthy denials, raises fictitious disputes of

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<sup>18</sup> Foschini Retail Group (Pty) Ltd v Coetzee (A1/11) [2013] NGHC (18 January 2013), paragraphs [21] – [27], in particular paragraph [23], per A A LOUW J.

<sup>19</sup> See paragraph [46] *infra*: "Included amongst the considerations proposed in these cases are: (a) the uses of the respective goods; (b) the users of the respective goods; (c) the physical nature of the goods; and (d) the respective trade channels through which the goods reach the market. It is clear that the list of proposed considerations was never intended to be exhaustive. Yet they serve to stimulate and guide the required process of reasoning in the enquiry as to the likelihood of confusion."

fact, is palpably implausible, far-fetched or so clearly untenable that the court is justified in rejecting them merely on the papers”.<sup>20</sup>

[41] Persuasive arguments tempted the dismissal of the application on the basis of flagrant disregard for the principles in *Swissborough Diamond Mines (Pty) Ltd v Govt of the RSA* 1999 (2) SA 279 (T) at 324F – 325C. In *Minister of Land Affairs & Agriculture v D & F Wevell Trust* 2008 (2) SA 184 (SCA) Cloete JA held at paragraph [43]:

“It is not proper for a party in motion proceedings to base an argument on passages in documents which have been annexed to the papers when the conclusions sought to be drawn from such passages have not been canvassed in the affidavits. The reason is manifest - the other party may well be prejudiced because evidence may have been available to it to refute the new case on the facts. The position is worse where the arguments are advanced for the first time on appeal. In motion proceedings, the affidavits constitute both the pleadings and the evidence: *Transnet Ltd v Rubenstein* [2006 (1) SA 591 (SCA) [also reported at [2005] 3 All SA 425 (SCA) - Eds] para 28] and the issues and averments in support of the parties' cases should appear clearly therefrom. A party cannot be expected to trawl through lengthy annexures to the opponent's affidavit and to speculate on the possible relevance of facts therein contained. Trial by ambush cannot be permitted.”

[42] Implats resigned itself to attaching to the 18 page founding affidavit various documents “merely by way of example of the Applicant’s use of its IMPALA name and trade marks...” instead of pointing out specifically how and in what manner the trade mark is used as a mark of origin in relation to the specific goods and services contended for. The documents attached contain various other marks, in particular repeatedly “IMPLATS Distinctly Platinum”, without any attempt to explain why the latter is not the true mark of distinction in relation to the goods and services in question, as opposed to “IMPALA”.

[43] In what follows, however, an attempt will nonetheless be made to determine the key issue as the decisive feature (separate from the considerations adverse to Implats’ application, already listed), as best as possible, namely whether there exists the likelihood of deception and/or

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<sup>20</sup> *NDPP v Zuma* 2009 (2) SA 277 (SCA) at para 26.



confusion between the respective goods/services. This would hopefully pragmatically serve to avoid a resurrection of the same litigation on improved papers due to dismissal on technical grounds.

[44] In relation to the similarity debate counsel for both parties, in thorough and comprehensive written heads of argument referred to *New Media Publishing (Pty) Ltd v Eating Out Services CC and Another* (“the Eating Out case”)<sup>21</sup> and of *Mettenheimer and Another v Zonquasdrif Vineyards CC and Others* 2014 (2) SA 204 (SCA) (“the Zonquasdrif case”).

[45] In the Eating Out case the court had to determine whether the use of the trade mark “EATING OUT” in relation to an electronic restaurant guide infringed the applicant’s registered trade mark “EAT OUT GUIDE” in class 16 in respect of, inter alia, magazines. There the court accepted that the combined effect of the degree of resemblance between the marks and goods or services must be taken into account:<sup>22</sup>

“There is, it seems to me, an interdependence between the two legs of the inquiry: the less the similarity between the respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and vice versa. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant’s registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page, *South African Law of Trade marks*, 4<sup>th</sup> Edition, paragraph 12.23 (p 12-41), where they say, with reference to sec. 34(1)(b) of the Act:

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<sup>21</sup> 2005 (5) SA 388 (C).

<sup>22</sup> The Eat Out case at 394 D – H.

[O]n a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark used on those goods or services.” (emphasis added)

[46] Both parties nonetheless also referred to and argued with reference to the judgments of the Chancery Division in *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 (Ch) at 296 – 297 and of the Supreme Court of Appeal, albeit in a context different from s 34(1)(b), in *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd* and Another 1991 (4) SA 850 (A) at 860F – 861E, also cited with approval in *Zonquasdrif supra*, where it concluded per Brand JA :

“Included amongst the considerations proposed in these cases are: (a) the uses of the respective goods; (b) the users of the respective goods; (c) the physical nature of the goods; and (d) the respective trade channels through which the goods reach the market. It is clear that the list of proposed considerations was never intended to be exhaustive. Yet they serve to stimulate and guide the required process of reasoning in the enquiry as to the likelihood of confusion.”

[47] In passing, the 18 pages of founding papers, other than a bold statement, failed to deal in any level of detail with evidence in support of the four requirements or any comparison between the respective good/services of the two enterprises.<sup>23</sup> The allegation was made that “the goods overlap”, disregarding the fact that IW evidently provide services in class 39 for which Implats failed to register, as opposed to trading in goods related to “distinctly platinum”. A bold allegation was made that the services of interest are similar or functionally similar. The founding papers failed to set out or establish the exact nature of the “services” provided by Implats under the banner of the impugned trade marks. In addition no allegations appear from the founding papers in relation to four considerations listed in the *British Sugar* case and the *Danco Clothing*

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<sup>23</sup> *Swissborough Diamond Mines (Pty) Ltd v Govt of the RSA* 1999 (2) SA 279 (T) at 324F – 325C. *Minister of Land Affairs & Agriculture v D & F Wevell Trust* 2008 (2) SA 184 (SCA).

case as they apply to “services” as opposed to “goods”. Again, in an attempt to pragmatically deal with the real issues, without downplaying the deficiencies in the founding papers, the extent to which similar goods or services are involved will be further analysed in what follows.

[48] In the *Zonquasdrif* case the court had to determine whether wine and wine grapes constituted similar goods or services for purposes of s 34(1)(b), in particular whether there existed the likelihood of deception or confusion.

[49] As was the case in *Zonquasdrif*, in the present case it is common cause that IW used its impugned mark in the course of trade and that it had not been authorised by Implats to do so. What remained was the enquiry into the issue of confusing similarity. Unlike s 34(1)(a), the provisions of s 34(1)(b) do not require that the offending mark be used in relation to goods in the class for which the trademark had been registered. It contemplates two elements, namely, (a) a mark identical or similar to the trademark used in relation (b) to goods which are so similar to those for which it had been registered, that it gives rise to a likelihood of deception or confusion. In *Zonquasdrif supra* Brand JA confirmed, with regard to the relationship between these two elements, the sentiments expressed by Thring J in the *Eating Out* case at 394C – F, already quoted above.

[50] In *Zonquasdrif* the dispute “boil[ed] down...to the similarity of the goods”. In this case, however, it appears to be a battle between goods and services of Implats, but merely services of IW. Because of the elevation of that issue, the court in *Zonquasdrif* distilled the following from the above quoted principles:

“Can it be said that, having regard to the sameness of the two marks, the similarity between the goods in respect of which the appellants' mark is registered (wine) and the goods in which respondent trades (wine grapes) is such that confusion or deception is the probable result? The deception and confusion we are talking about, of course, must relate to the origin of the respective goods. So, is it likely that the notional purchaser may be confused to think that these goods have the same origin?”

[51] In the present matter the debate extends somewhat beyond a mere comparison of goods. It is very much in dispute whether IW trades in any goods in relation to the impugned trade mark, as

opposed to merely offering services in relation to similar goods. The question whether Implats provided any bona fide services in the course of trade, apart from internal use, is equally in dispute.

[52] Before one can consider the goods or services in question, it has to be established that the unauthorised use takes place “in the course of trade in relation to goods or services...”. In this context a number of questions appear to be equally relevant: What are the consequences if it is established that the trade (the business activities) of the alleged infringer is not in relation to goods to which the trade mark applies or for which it is registered. For example the alleged infringer simply does not buy or sell or trade in the goods bought or sold by under the trade mark. What if no services are rendered under the trade mark, least of all in relation to services performed by the alleged infringer. In the present instance the nature of the trade in which the respective parties are involved is entirely different, albeit indirectly in the mining and related industries. In essence Implats extracts goods from mines and processes it to be sold. In order to do so it has a massive infrastructure involving thousands of employees, transport vehicles, land, structures, buildings and housing for its employees. Much like any large corporate entity. The only distinguishing feature in such enterprises relates to the end product which is sold or the service rendered to the notional client. In short, the main source of revenue of Implats relates to the sale of metals and minerals.

[53] IW generates revenue, predominantly from the provision of services, not the sale of goods. The end users of the respective companies engage with them for entirely different reasons. The one company focuses on products, albeit similar to the products in respect of which the other offers a service. The other company offers services, which the other company does not offer to the public at all. The respective trades of the companies differ substantially in their uses, their users and the trade channels through which they are marketed. Since the goods sold by Implats are not subjected to any form of service, they are merely sold to users or traders of the goods. The services offered by IW, on the other hand, are marketed, advertised and sold to entities such as Implats. The prospects of IW selling Implats’ goods or Implats offering IW’s services can therefore safely be excluded as non-existent.

[54] In *Zonquasdrif supra*, the appellants' argument as to why, despite such distinct differences between the two products [in this case goods as opposed to services], they have succeeded in

showing a likelihood of confusion, went along the following lines. “Wine grapes constitute the raw material from which wine is made. Hence the two products are associated with one another. It is known in the industry that while some farms sell their wine grapes to wineries, others make their own wine from grapes produced on the farm or purchased from other farms. There is therefore no clear delineation between farms producing and selling grapes and those selling both wine and grapes. Although the appellants do not make their own wine and only sell their Zonquasdrift wine in Germany, they are entitled to sell their wine in South Africa as well. What must also be postulated as part of the appellants' notional use is that they may integrate their grape-growing and wine-making activities on the farm Zonquasdrift. In these circumstances, so the appellants' argument went, the notional member of the public may very well be confused in thinking that the appellants' wine and the respondent's grapes originate from the same farm.”

[55] Disregarding adverse features to Implats’ application already identified, and for purposes of this exercise also the defects in the founding papers, the manner in which the Supreme Court of Appeal evaluated the same argument serves as matrix for evaluating the approach adopted by Implats.

[56] Implats’ argument, it seems, draws no distinction between the notional users (purchasers) of the respective goods (platinum related products) and services (warehousing, transport and logistics) (in Zonquasdrif supra, “of grapes, on the one hand, and the notional purchasers of wine, on the other”). In casu, the sale and marketing of metal and related products compared to the transport and storage thereof. Brand JA emphasised the distinct differences between the two products and concluded that logical reasoning does not allow “this conflation”. That, one would have thought would have been the end of the debate. After all, the issues in the Zonquasdrif case involved virtually the same products, definitely in the same industry. The case put up by Implats does not even reach that threshold of similarity.

[57] To iterate, the present case primarily involves goods on the one hand and services on the other. A significant distinction to begin with. If that distinction is not enough it would serve some purpose to apply the reasoning of the Supreme Court of Appeal in order to test the consequences of comparing the opposing commodities. In reaching its conclusion Brand JA emphasised the suitability of one product (wine grapes) for wine-making only and that it was exclusively sold to particular users. The court considered the manner in which users made their

purchase decision, which did not include any reference to the trade name of the seller of the goods, as opposed to various other relevant considerations evaluated by expert buyers/individual representing buyers, who are unlikely to be confused by a trade mark. Despite its reliance in argument on Zonquasdrif, Implats presented no evidence in its founding papers on this process in relation to the users of its product (let alone any services to outside users).

[58] Brand AJ ultimately concluded that the only enquiry worthy of pursuit related to the likelihood of notional purchasers of the applicant's goods believing that it originates from the same farm as the respondent's goods. The first question in the present matter is whether the notional purchaser would be aware that IW's services are sold under the applicant's trade name. Brand JA considered the manner in which the respondent marketed its goods (compared here to the services of IW). The simple reality of the present matter is that Implats does not market the services offered by IW and IW does not market the goods sold by Implats. Much like the Zonquasdrif case, in order for the notional purchaser to be confused in thinking that Implats' goods/services come from the same company as IW services, such individual must infer that (a) there is an entity named Impala that offers the IW services or the other way round ; (b) that IW is owned by the same entity as Implats or the other way round; and (c) that the services are offered from the same source. There was no or insufficient evidence on these essential aspects in the founding papers and thus no reason to assume that the notional purchaser will make all these inferences just by looking at the similar or identical trademarks on the trucks and corporate material of the respective companies, taking into account the specialised nature of the goods compared to the services.

[59] Implats failed to establish that the impunged trademarks are associated with the bona fide provision of services in warehousing, transport and logistics, even if the trade marks are the same. No evidence was presented that the notional purchaser of the IW services would have inferred that it belongs to or sources from Implats (the isolated examples of confusion on exchange control level are certainly far removed from the notional purchaser concept). Implats failed to establish that the notional buyer of goods is likely to be confused, or that the notional user of IW's services would fall in this trap. After all, trade marks apply to the *dramatis personae* in the relevant trade, not those actors who get lost on the wrong stage or spectators who land up in the wrong audience by accident, as did the individuals in Implats' specific examples of alleged

confusion. The fact that Implats mines and processes unlabelled products from multiple sources, as opposed to offering services in a similar fashion, also counts against it in the exercise of judicial discretion in favour of Implats, limited as it may be suggested. IW does not market or sell any goods, let alone goods traded in by Implats.

[60] Implats' further argument resting on alleged incidents of actual confusion should thus equally fail. As in the *Zonquasdrif* case "the confusion demonstrated by these incidents...probably arose from the similarity between the [names as opposed to the use of trade marks]. It therefore had nothing to do with confusion created by two similar marks."

[61] In conclusion on this substantive decisive issue, despite a general allegation in the founding papers that both parties operate in the same industry, it is apparent that the essence of their respective trades (goods and services) are different. Little if any evidence suggests that IW trades in any goods, let alone the goods in which Implats trades. On the question of services provided by Implats, the position is the same. In general terms Implats can be referred to as being in the business of mining, predominantly platinum (as its name depicts) and IW as a business specialising in transport, warehousing and logistics (as its name too depicts).

[62] In addition to the above, the essential argument by IW is thus correct that Implats failed to establish use of its trade marks beyond the sphere of mining and selling platinum related products (which precludes any trade mark entitlement beyond that), whereas the goods or services of the respondent were so different to it, that IW's trade did not infringe or constitute passing-off. This approach is in line with the marked trend to limit anti-competitive practices.<sup>24</sup>

[63] Implats altogether failed to establish the use of its trade mark "IMPALA PLATINUM" by IW. The application should therefore be dismissed with costs, including the costs of two counsel, justified by the complexity and volume of the main application.

## G: THE COUNTER-APPLICATION FOR EXPUNGEMENT

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<sup>24</sup> Foschini Retail Group (Pty) Ltd v Coetzee *infra*.

[64] As indicated, the counter-application by IW is based upon the provisions of sections 27(1)(a) and/or (b) read with section 24(1) of the Act. Any interested person has locus standi to apply for rectification of the Trade Marks Register under those sections. Interested persons are those who are in some way or other substantially interested in having a mark removed from the Register, including all persons who would be substantially damaged if the mark remained, and all trade rivals over whom an advantage was gained by a rival trader who is getting the benefit of a registered mark to which he is not entitled, as well as an alleged infringer of a mark<sup>25</sup>.

[65] In order to be successful with an application in terms of section 27(1)(a), IW has to establish that Implats registered its trade mark without any bona fide intention to use the trade mark in relation to the goods for which the trade mark is registered and that there has, in fact, been no bona fide use of the trade mark in relation to those goods up to three months prior to the date of the application to expunge.

[66] The registrations against which relief is sought are all the registrations relied upon by Implats in its application to interdict IW from infringing these registrations. As such, IW is an interested person.

[67] IW bears the onus for establishing the invalidity of the registrations<sup>26</sup>.

[68] However in the case of applications brought in terms of section 27, the trade mark proprietor bears the onus of proving relevant use<sup>27</sup>.

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<sup>25</sup> *Ritz Hotel Ltd v Charles of the Ritz & Another* 1988 (3) SA 290 (A) at 308A-D.

<sup>26</sup> *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd & Another* 1991 (4) SA 850 (A) at 860E.

<sup>27</sup> Section 27(3) of the Act which provides that '*In the case of an application in terms of paragraph (a) or (b) of sub-section (1) the onus of proving, if alleged, that there has been relevant use of the trade mark shall rest upon the proprietor thereof.*' Relevant use means trade use in the furtherance of a proprietor's trade or business; *AM Moolla Group Ltd and others v The Gap Inc and others* 2005 (6) SA 568 (SCA) at [27]-[28], [42].



[69] In relation to the relief sought under section 27(1)(a), IW bears the onus of showing that at the time when it made its application<sup>28</sup>, Implats did not have the relevant bona fide intention to use the mark in relation to the goods or services for which registration was obtained.

[70] In order to defeat the application under section 27(1)(a) of the Act, Implats had to show that up to a date three months<sup>29</sup> before the date of this counter application<sup>30</sup>, Implats or a person permitted by it has used its trade mark in a bona fide manner in relation to the goods or services for which the mark has been registered.

[71] In order to defeat the application under section 27(1)(b) of the Act, Implats had to show that since the issue of the registration certificate and in the five year period up to a date three months before the date of this counter application, Implats or a person permitted by it has used its trade mark in a bona fide manner in relation to the goods or services for which the mark has been registered.

[72] IW's application for expungement was filed on 2 August 2013 and, accordingly, the relevant five year period within which IMPALA WAREHOUSING must prove non-use of the trade mark IMPALA in order to obtain expungement of the trade mark is 2 May 2008 to 2 May 2013. This was not in dispute.

[73] IW alleges with reference to examples attached to the founding papers that Implats was at all material times incorporated in order to mine platinum and PGM's and at no stage has used IMPALA or IMPALA PLATINUM in relation to any other goods or services. Furthermore, IW claims that Implats has not conducted any other business activity in its history of some 45 years and accordingly never intended to use the IMPALA trade mark for any other goods or services.

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<sup>28</sup> *Salt of the Earth Creations (Pty) Ltd and others v The Gap, Inc and another* 2010 BIP 163 (GNP) at 167F.

<sup>29</sup> 2 May 2013.

<sup>30</sup> 2 August 2013.

[74] Implats alleged in its opposition to the expungement application that it has at all times had a bona fide intention to use its IMPALA and IMPALA PLATINUM trade marks and has, in fact, used those trade marks, particularly in the relevant five year period referred to previously.

[75] Implats also argued that its trade mark registrations are, by virtue of the provisions, of section 27(5) of the Trade Marks Act not vulnerable to be expunged on the basis of non-use.

[76] The issues argued in relation to the expungement were thus the following:

- (i) whether, at the time when it applied for registration of its trade marks, Implats had a bona fide intention to use its marks in relation to the goods and services for which the marks have been registered;
- (ii) whether Implats or its licensee has made relevant trade mark use of its marks in relation to the goods and services for which the marks have been registered in the period prior to 2 May 2013;
- (iii) whether Implats or its licensee has made bona fide trade mark use of its marks in relation to the goods and services for which the marks have been registered in the period 2 May 2008 to 2 May 2013.

[77] Bona fide use in this context means use by the proprietor or licensee in connection with the particular goods or services for which the mark has been registered with the intention of protecting, facilitating and furthering the trading in such goods/services<sup>31</sup>.

[78] Genuine use of a mark entails use of the mark on the market for the goods and services protected by that mark and not just internal use by the undertaking concerned<sup>32</sup>.

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<sup>31</sup> *AM Moolla Group Ltd and others v The Gap Inc and others* 2005 (6) SA 568 (SCA) at [42].

<sup>32</sup> *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 717 (ECJ) at 725; *Reckitt Benckiser South Africa (Pty) Ltd v Colgate-Palmolive Company* 2004 BIP 56 (RTM) at 61.

[79] Non-use for long periods of time such as ten, twenty or even twenty-five years, is obviously highly relevant to the question of the bona fide intention to use the trade mark and the absence of a satisfactory explanation would justify an inference adverse to the proprietor of the trade mark<sup>33</sup>.

[80] Implats then had to show that it ‘has an intention to deal, in certain goods or descriptions of goods...a real intention to use, not a mere problematical intention, not an uncertain or indeterminate possibility, but a resolve or settled purpose which has been reached at the time when the mark is to be registered’<sup>34</sup>.

[82] IW correctly argued that section 27(5) of the Act does not avail a South African company, such as Implats.<sup>35</sup>

[83] Furthermore, in order to obtain the protection afforded by section 35(1), Implats had to prove that the marks IMPALA and IMPALA PLATINUM are well-known in relation to particular goods and services. This is clear from a dictum in the McDonalds case which identified the relevant market in order to indicate the level of awareness in the public mind. A mark is well-known in the Republic if it is well-known to persons interested in the goods or services to which the mark relates<sup>36</sup>.

[84] Only in relation to PGM’s does IW concede that Implats’ trade marks IMPALA and IMPALA PLATINUM are well-known.

[85] Implats has failed to establish that the marks IMPALA and IMPALA PLATINUM are well-known in relation to any other goods and services covered by Implats’ registrations.

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<sup>33</sup> *McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald’s Corporation v Dax Prop CC; McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd* (unreported judgment, 5 October 1995, Transvaal Provincial Division) at 52.

<sup>34</sup> *Victoria’s Secret Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A) at 745E-F.

<sup>35</sup> *New Line Manufacturing (Pty) Ltd v National Brands Ltd & Another* 2005 (1) SA 346 (T) at [9].

<sup>36</sup> *McDonalds Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonalds Corporation v Dax Prop CC; McDonalds Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd* 1997 (1) SA 1 (A) at 20E.

[86] In the premises, as an additional reason, Implats cannot rely on the provisions of section 27(5) of the Act.

[87] Implats also alleges that the IMPALA trade mark registrations are all inter-associated. Implats argues that its evidence of use (presumably in relation to a particular registration) should be regarded as the use of the trade mark in relation to the other registrations because the trade marks are identical and the goods and services are closely associated with each other.

[88] The court exercises a discretion when it employs the provisions of section 31(1).

[89] In Distillers, the court held that in exercising its discretion, it must have regard to how close the trade marks are associated and resemble one another and the extent and nature of the equivalent use. The remoter the association, or the lesser the resemblance, or the less satisfactory the equivalent use, the more disposed the Court should be to ignore the association or lean against accepting the use of the associated trade mark as being the required equivalent use<sup>37</sup>.

[90] As indicated above, Implats has furnished sparse if any evidence of relevant use in relation to the registrations or goods and services sought to be removed.

[91] As such, it is unclear which evidence of use must be considered in relation to the employment of section 31(1) of the Act. There appears to be no basis for the court to exercise its discretion in terms of section 31(1) of the Act.

[92] The court has a discretion as to whether to remove a registration or amend a specification<sup>38</sup>.

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<sup>37</sup> *Distillers Corporation SA Limited v SA Breweries Limited; Oudemeester Groep Beperk v SA Breweries Limited* 1976 (3) SA 514 (A) at 539B-D.

<sup>38</sup> *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald's Cooperation v Dax Prop CC; McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* 1997 (1) SA 1 (A) at 32A-B.

[93] But, it is only in exceptional cases that the discretion is exercised to allow a trade mark registration which has been shown to be invalid to remain on the Register<sup>39</sup> since the purity of the Register and the public interest are of greater importance than the rights of the parties inter se<sup>40</sup>.

[94] Implats claims that because it will be able to restrain IW's use of IMPALA on the basis of passing-off, this constitutes exceptional circumstances justifying the court exercising its discretion in Implats' favour.

[95] From the reasons set out above it is clear that Implats' claim based on passing-off cannot be granted. As such, there is no basis for the court to exercise its discretion in favour of Implats in relation to the expungement issues.

[96] All of the above considerations have been dealt with in argument and considered in exercising the discretion in relation to the expungement orders arrived at below, in particular the principles in Foschini Retail Group (Pty) Ltd v Coetzee dealt with earlier, from which it appears that the registrations are for most of them substantially wider than justified by relevant use contemplated in both sub-sections. Implats have provided limited and isolated examples of use in respect of the various classes relating to products and in relation to "treatment of materials". In relation to other classes in "services" (registered in classes 36 and 42) it simply failed to show a reputation in such services or bona fide use in trade where such services are presented to the public as having its source associated with the trade marks. Save for the latter classes, Implats has been given the benefit of the doubt in the formulation of the orders made below in which each class has to be amended. Having been substantially successful, costs in the counter-application should follow the result, including the cost of two counsel, for the same reasons as the main application.

(i) Class 1:

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<sup>39</sup> *Ibid.*

<sup>40</sup> *Broadway Pen Corporation v Wechsler & Co (Pty) Ltd* 1963 (4) SA 434 (T) at 440A-B; *Blue Lion Manufacturing (Pty) Ltd v National Brands Ltd and Another* 2005 (1) SA 346 (T) at [8].

[97] IW alleges that Implats has failed to make use of the mark in relation to any of the goods for which the mark is registered in class 1, namely ‘chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry’.

[98] IW alleges that since application was made for the registration of the mark in 1998, more than 15 years has elapsed without relevant use.

[99] Implats alleges use of the trade mark IMPALA in relation to a variety of goods in this class such as ammonium sulphate and an ABS plant, sulphuric acid, chloride, hydrochloric acid, iridium salt, platinum group metals chemicals and palladium resin and attaches a number of documents in support of the allegation. IW denies that there has been such use.

[100] The documents attached by Implats do not fully support use of the trade mark in relation to all the goods referred to, namely, chloride, hydrochloric acid, iridium salt, platinum group metals chemicals and palladium resin.

[101] On the probabilities of this case, however, actual or bona fide use in respect of ammonium sulphate, ABS, sulphuric acid, platinum group metals chemicals and palladium resin appear to be likely.

[102] In the premises this trade mark registration in class 1 is liable to be amended to reflect “ammonium sulphate, ABS, sulphuric acid, platinum group metals chemicals and palladium resin used in industry, science and photography as well as in agriculture, horticulture and forestry”.

(ii) Class 6

[103] IW alleges that on the basis of the founding evidence in the application, Implats has failed to make use of the mark in relation to any of the goods for which the mark is registered in class 6, namely ‘common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery; small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores’.

[104] The outer limit of the allegations by Implats in relation to the listed goods appear to be the provision of services in relation thereto, as opposed to trading in such goods. It would not justify the exclusion of similar services by IW or any other entity, merely on the basis that Implats provides services in relation to goods described in class 6 that are generally available in the trade. Implats alleges, however, that it is in the business of mining ore containing PGM’s, nickel ore, gold ore as well as ore containing cobalt, copper ore, silver ore, sulphur, sand (manufactured) from waste rocks and iron ore and chrome ore from various operating mines. It states further that it has a mining right which includes metals such as nickel, cobalt, iron, copper and chrome.

[105] The registration in class 6 should be amended to include only “platinum group metals, nickel, gold cobalt, copper, silver, sulphur, iron and chrome and their alloys”.

(iii) Classes 36 and 42:

[106] On the basis of the evidence in the founding affidavit, IW alleges that there has been no use of the trade mark IMPALA in relation to the services in class 36 for which the mark is registered, namely ‘insurance; financial affairs; monetary affairs; real estate affairs’.

[107] IW alleges that, based on Implats’ founding evidence, Implats has not used its trade mark IMPALA in relation to the relevant services in class 42, namely ‘providing of food and drink; temporary accommodation; medical, hygienic and beauty care; veterinary and agricultural services; legal services scientific and industrial research; computer programming; services that cannot be placed in other classes’.

[108] The actual use alleged by Implats in respect of classes 36 and 42 is not genuine use as the services are offered internally to Implats' employees and their dependants.<sup>41</sup>

[109] Implats has failed to show relevant use of the trade mark in relation to any of the services for which the mark has been registered.

[110] In the premises, the registrations in class 36 and 42 should be removed.

(iv) Class 40:

[111] IW challenged the registration for the 'treatment of materials' in class 40.

[112] IW avers that Implats has failed to use the IMPALA trade mark in relation to the treatment of any materials other than the refining of platinum and platinum group metals.

[113] IW contended that such non-use has been for a period of about 15 years since application for registration of the mark was made in 1998.

[114] As such it argued that there is a reasonable inference that the mark was registered without the requisite intention to use.

[115] In the premises, IW argues, that the specification should be amended to read 'the refining of platinum and platinum group metals'.

[116] Implats alleges, however, that it offers a wide variety of services - it enters into metal purchase agreements or toll refining agreements. It is unclear how these agreements relate to the treatment of materials, but the benefit of the doubt should weigh in its favour. Ms Vivier states further that its products include floatation concentrates, furnace matte, spent auto catalysts for

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<sup>41</sup> *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 717 (ECJ) at 725; *Reckitt Benckiser South Africa (Pty) Ltd v Colgate-Palmolive Company* 2004 BIP 56 (RTM) at 61 and *AM Moolla Group Ltd and others v The Gap Inc and others* 2005 (6) SA 568 (SCA) at [42].



recycling and selected base metal residues and other secondary materials. Implats failed to state how this relates to the treatment of specific materials beyond the limitation proposed by IW.

[117] Implats also indicated that it converts mined ore into concentrates and smelts the concentrate to produce a matte prior to refining. Implats failed to state how this relates to the treatment of materials.

[118] Ms Vivier indicates further that Implats refines both base metal (nickel, copper and cobalt) and precious metals (namely platinum group metals and gold).

[119] IW denies these allegations.

[120] Implats also attaches extracts from Implats' annual reports, a fact sheet and details of its patent registrations in support of these allegations relating to refining of the said products and states that this is clear evidence that it uses its trade mark in respect of a variety of services in class 40.

[121] In the premises, the registration in class 40 should be amended to read 'the refining of platinum and platinum group metals and nickel, copper and cobalt'.

Class 14:

[122] The registration 2008/28896 in class 14 is for 'precious metals and their alloys and goods and precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments'.

[123] Implats avers that it uses the trade mark IMPALA PLATINUM in relation to PGM'S and their alloys, as is evident from the founding affidavit.

[124] In support of the allegation that it sells precious metals (as opposed to proof that Implats uses the trade mark IMPALA PLATINUM in relation to precious metals), Implats relies on

photographs of ingots, briquettes and other formats, invoices for the sale of silver and gold and a mining right for PGM's, nickel, gold, silver and copper.

[125] As such, the specification of the registration in class 14 should be amended to refer to 'platinum and platinum group metals, nickel, gold, silver and copper'.

H: THE ORDER

[126] In the result the following order is made:

1. The application is dismissed;
2. The applicant in the main application is directed to pay the first respondent's costs in the application, such costs to include the costs consequent upon the employment of two counsel;
3. The second respondent in the counter-application is directed to amend the Register of Trade Marks by:
  - 3.1 amending trade mark registration number 98/08322 IMPALA in class 1 to be amended to reflect "ammonium sulphate, ABS, sulphuric acid, platinum group metals chemicals and palladium resin used in industry, science and photography as well as in agriculture, horticulture and forestry";
  - 3.2 amending trade mark registration number 98/08323 IMPALA in class 6 to include only "platinum group metals, nickel, gold cobalt, copper, silver, sulphur, iron and chrome and their alloys";
  - 3.3 removing trade mark registration number 98/08324 IMPALA in class 36;
  - 3.4 amending the specification of trade mark registration number 98/08325 IMPALA in class 40, to read 'the refining of platinum and platinum group metals and nickel, copper and cobalt';
  - 3.5 removing trade mark registration number 98/08326 IMPALA in class 42;

3.6 amending the specification of registration number 2008/28896 IMPALA PLATINUM in class 14 to read “Platinum and platinum group metals falling within the class, nickel, gold, silver, cobalt, copper”.

4. The first respondent in the counter-application is directed to pay the applicant in the counter application’s costs, such costs to include the costs consequent upon the employment of two counsel.

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L J van Tonder AJ

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