



**HIGH COURT OF SOUTH AFRICA
(GAUTENG DIVISION, PRETORIA)**

CASE NO:A393/2018

DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE: NO.

(2) OF INTEREST TO OTHER JUDGES: NO

(3) REVISED.

DATE: 10 DECEMBER 2021

SIGNATURE

In the matter between:

TAKIS BILTONG (PTY) LTD

Appellant

and

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

Respondent

JUDGMENT

This matter has been heard on a virtual platform and disposed of in the terms of the Directives of the Judge President of this Division. The judgment and order are accordingly published and distributed electronically.

DAVIS, J

[1] Introduction

On 14 June 2018 Vorster AJ dismissed the appellant's application for the cancelling of a trade mark of the respondent. Both the appellant and the respondent own trademarks featuring prominently the word TAKIS as part thereof. The appellant appeals the judgment and order of Vorster AJ, with his leave.

[2] The competing TAKIS trademarks

- 2.1 The appellant is the registered proprietor of the following two trademarks, referred to in the papers as the TAKIS logo marks (i.e. devices):



- 2.2 The above marks were registered on 8 May 2007, in class 29, covering goods consisting of "*meat, fish, poultry and game, preserved meats, meat extracts, sausages*".
- 2.3 In addition, the appellant on 24 April 2015, applied to register the following marks:

- 2.3.1 TAKIS in classes 29, 30 and 31;



- 2.3.2 as a TAKIS logo mark, in class 29; and



- 2.3.3 as a TAKIS logo mark, in classes 29, 30 and 31.

- 2.4 In the meantime, the respondent on 6 June 2012 applied for the registration of the following mark, referred to in the papers as the TAKIS FUEGO logo mark:



- 2.5 The respondent's mark was applied for in class 30, being for "*bread, pastry, corn flour chips, corn extruded, wheat extruded, pop corns*".
- 2.6 A side-by-side comparison of the marks of that are the subject of this appeal (the existing marks) and the pending marks referred to in paragraph 2.3 above) are reproduced below (the respondent's marks are on the left and the appellant's marks are on the right):



[3] The applicable law

3.1 The appellant's case is premised on the provisions of section 24 read with sections 10(12), 10(14), 10(16) and 10(17) of the Trade Marks Act 194 of 1993 (the TMA).

3.2 The relevant portion of section 24 provides as follows:

“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”.

3.3 Sections 10(12), 10(14), 10(16) and 10(17) provide that the following marks will not be registered or if registered shall be liable to be removed from the register:

“10(12) a mark which is inherent deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class or persons;

.....

10(14) subject to the provisions of section 14, a mark which is identical to a registration trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark;

.....

10(16) a mark which is the subject of an earlier application as contemplated in paragraph (15), if the registration of that mark is contrary to existing rights of the person making the later application for registration as contemplated in that paragraph;

10(17) a mark which is identical or similar to a trade mark which is already registered and which is well-known in the Republic, if the use of the mark sought to be registered would be likely to take unfair advantages of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of deception or confusion, unless the proprietor of such trade mark consents to the registration of such mark”.

- 3.4 The test in deciding whether a mark is inherently deceptive or likely to deceive or cause confusion, being the question posed by section 10(12) of the TMA, has been summarised in *Cowbell AG v ICS Holdings Ltd* 2001

(3) SA 941 (SCA) at 947 – 948 as follows: “*The decision involves a value judgment and the ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are used together in a normal and fair manner, in the ordinary course of business*”. See also *SmithKline Beecham Consumer Brands (Pty) Ltd v Unilever plc* 1995 (2) SA 903 (A) at 912H.

- 3.5 The court (above) went on to state the following, with reference to *Organon Laboratories Ltd v Roche Products (Pty) Ltd* 1976 (1) SA 195 (T) at 202F – 203A: “*global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, the distinctive and dominant components*”.
- 3.6 With regard, in particular, to the comparison of the visual impact two marks may have, a court must have regard to the impact the marks would have regard on a notional person of average intelligence having proper eyesight and buying with ordinary caution goods to which the marks are applied. See: *Plascon Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (#) SA 623 (A) at 640G – 641E, where it was also found that “*the comparison must be made with reference to the sense, sound and appearance*” of the marks and “*the marks must be viewed as they would be encountered in the marketplace and against the background of relevant circumstances*”.
- 3.7 For the above purpose, the court must then of necessity, transport itself into the marketplace and stand in the shoes of a potential customer encountering the two marks. See *Oude Meester Groep Bpk v SA Breweries Ltd* 1973 (4) SA 145 (W) at 161 C – E.

3.8 Deception or confusion will rise when a consumer, confronted with the two marks “*in supermarkets on the same or different shelves*” might think that the goods of one producer are that of another or that there is a material connection between the products of the one and those of the other. See: *Juvena Produits de Beaule SA v BLP Import & Export* 1980 (3) SA 210 (T) at 217 H – 218 H.

3.9 When making the comparisons a relevant consideration is the respective specifications of the goods, which should also be taken into account in determining whether or not deception or confusion is created. See *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 (ECJ) at [23] in the European Court of Justice.

[4] The case in the court a quo

4.1 In order to have succeeded in the court a quo, the appellant needed to prove:

4.1.1 that the Takis Fuego mark is deceptively or confusingly similar to one or all of the appellant’s Takis marks;

4.1.2 with respect to section 10(16), that the appellant had prior and existing rights that pre-dated the filing date of 6 June 2012 by the respondent in respect of its mark;

4.1.3 that, insofar as reliance was placed on sections 10(12) and 10 (17), the appellant had the requisite reputation to sustain a cause of action based on these sections.

4.2 The learned judge in the court a quo found that “*the word TAKIS is prominent feature in both marks. If the differences between the two marks were ignored, it could be said that they were identical*”. He, however, then

went on to find as follows: *“The TAKIS FUEGO logo also contains the word FUEGO below the word TAKIS and also the BARCEL logo which is depicted above the T of the word TAKIS. The dissimilarities between the two marks consequently are more than the similarities between the two”*.

- 4.3 Regarding the different classes pertaining to the respective marks, the learned judge found as follows: *“It appears from the founding affidavit and annexures thereto that the TAKIS logo has been used to market biltong products which include biltong crisps, sticks and the like and more recently in respect of nuts, but not in relation to the marketing of chips. Chips have been marketed by the applicant to a much lesser extent than biltong and biltong related products. The respondent uses its TAKIS FUEGO logo to market tortilla chips. The likelihood that confusion might arise between the two marks and logos resulting in a detriment to the applicant is consequentially in my view minimal. It follows that, on the facts of this case, the applicant cannot successfully attack the TAKIS FUEGO logo mark of the respondent in terms of section 10(12), 10(14), 10(16) or 10(17) of the Trademarks Act”*.
- 4.4 The respondent has, in the court a quo, abandoned its pending registration of the TAKIS FUEGO logo mark in class 29 (meat, fish, and game, preserved meats). The respondent thereby became liable to the appellant for the costs in relation to cancellation of that mark, which included qualifying fees of experts.
- 4.5 Based on the above and save for the costs order relating to the abandoned pending mark in class 29, the court a quo dismissed the appellant’s application with costs, including the costs of two counsel.

4.6 As already aforesaid, this appeal against the judgment and order in the court a quo, save for the order in relation to the costs in relation to that mentioned in paragraph 4.4 above, is with the leave of that court (per Vorster, AJ).

[5] Regarding the “likelihood of confusion”

5.1 As pointed out above, the court a quo, reliant on the differences of the marks, found that the “dissimilarities” sufficiently distinguished the marks.

5.2 One of the distinguishing (or “dissimilar”) features of the respondent’s mark relied on by the learned judge, was the BARCEL logo above the T of TAKIS. This logo or device is one of the respondent’s 100 trademarks. It derives its name from the Barcel del Norte factory in Mexico, operated by one of the respondent’s predecessors. Neither this device nor its history are relied on as a separate mark or as a claim to reputation in these proceedings. The BARCEL logo is so diminutive and hardly eye-catching in the TAKIS FUEGO logo that it can hardly be found to be distinguishing. It is a mere visual dissimilarity of little consequence.

5.3 The second dissimilarity relied on, namely the use of the word FUEGO, is much more prominent and noticeable. However, in the circumstances where the respondent has conceded that the name TAKIS has acquired a reputation over the years in relation to the appellant’s products, I find the appellant’s reference to the unreported SCA case of *PepsiCo Inc v Atlantic Industries* (983/2016) [2017] ZASCA 109 (15 September 2017) apposite. PepsiCo was the registered proprietor of various trademarks incorporating the words PEPSI and PEPSI-COLA. PepsiCo applied for the registration of a word mark PEPSI TWIST. The respondent (Atlantic) opposed the registration on the basis that it was the proprietor of a registered trade mark for the word TWIST and that the mark PEPSI TWIST would, if registered,

give rise to deception or confusion. The court upheld this contention and refused registration of the mark PEPSI TWIST. In doing so, it relied, *inter alia*, on two foreign judgments (the full citations of which appear in the unreported judgment). The first was *Medion AG v Thomson Multimedia Sales Germany & Australia GmbH* in which the trademark THOMSON LIFE was found to be confusingly similar to the trademark LIFE, despite the addition to the distinctive name THOMSON. In similar fashion, in *E.ON AG v Hyundai Motor Company*, the trademark HYUNDAY EON was found to be confusingly similar to the trademarks E.ON. The court *a quo* in this appeal accordingly erred when it found that the use of the word FUEGO, would avoid confusion when added to the word TAKIS as has been done by the respondent in its proposed TAKIS FUEGO logo.

5.4 The respondent in this appeal, both in its papers and in its written and oral argument, made much of the fact that there is a vast difference between biltong and chips. Of course there is. Biltong and dried or processed beef or game meat are provided for in class 29. The origin of these products are different from those in class 30, being “*bread, pastry, corn flour chips, wheat flour chips, corn extruded, wheat extruded*” chips such as the corn tortilla chips which the respondent produces. Incidentally, as pointed out during oral argument, tortilla chips are neither novel, nor unique and there are numerous other tortilla-type corn chips on the market, to such an extent that certain supermarket-chains even have their own house brands, but that is just an aside. The point is, however, that the existence of differences in the nature or origin (or class) of the products is not necessarily determinative.

5.5 An illustration hereof can be found in the case of *National Brands Ltd v Cirio Spa* 2001 BIP 216, relied on by the respondent, in which case McCreath, J sitting in the Tribunal of the Registrar of Trade Marks, found

that pasta and sauces could not be considered to be similar goods to coffee, notwithstanding that they both fell under the broader genus “food” and that the marks (CIRO coffee and CIRIO pasta and sauces) were registered in the same class. The class itself therefore, irrespective of whether it is the same or different classes, will not be determinative but the nature of the goods may or may not be the determinative factor.

- 5.6 The similarity of goods or the nature thereof is relevant to the relief under section 10(14) in particular. The test in section 10(14) in relation to the issue of “similar goods” is the same as that in the provisions of section 34(1)(b) of the TMA, catering for infringement proceedings. This section provides as follows: *“The rights acquired by registration of a trademark shall be infringed by – (a) the unauthorized use in the course of trade in relation to goods or services in respect of which the trademark is registered, of an identical mark or of a mark so nearly resembling it so as to be likely to deceive or cause confusion”*.
- 5.7 Regarding the aforesaid test, the respondent relied on the following dictum in *New Media Publishing (Pty) Ltd v Eating Out Webservices CC* and another 2005 (5) SA 388 (C): *“on a proper interpretation of the South African section, 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 the mark is used on those goods or services”*. Reliant on this, the respondent argued that the only similarity regarding the nature of the goods is that they both share the genus “food” but for the rest, “they are totally different”.
- 5.8 In my view, the respondent’s approach is too narrow. In *British Sugar Plc v James Robertson & Sons Ltd* [1999] RPC 117 (ECT) at [23], the

following factors were highlighted which all play a role when the nature of different goods are compared:

- “(a) *The respective uses of the respective goods or services;*
- (b) *The respective users of the respective goods or services;*
- (c) *The physical nature of the goods or acts of service;*
- (d) *The respective trade channels through which the goods or services reach the market;*
- (e) *In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves.*
- (f) *The extent to which the respective goods or services are competitive”.*

5.9 The respondent’s approach is to rely too heavily (if not almost exclusively) on the considerations mentioned on (c) above, i.e. the physical difference between biltong and chips. The appellant’s case is that both its biltong packets (and other products) and the chips of the respondent are sold in small (or smallish) individual packets to consumers in supermarkets or small convenience stores of the kind found at fuel filling stations, as “snack foods”. The various reports and photographs which form part of the record, confirm this. The factors mentioned above in (a), (b), (d), (e) and (f) of the *British Sugar* list of relevant considerations for purposes of comparison are accordingly all applicable to the exercise to be conducted in the present appeal.

5.10 Moreover, if the court places itself in the shoes of the notional consumer referred to by the SCA in *Plascon-Evans* (above), standing at a counter,

intending to pay, for example, for the (very expensive) fuel put in his or her vehicle, and he or she intends buying a snack and is then confronted with a packet bearing the TAKIS logo and another bearing the TAKIS FUEGO logo, I am quite convinced that he or she might reasonably be confused or deceived by the two marks. Their similarity (as already pointed out above) are such that the notional consumer would be likely to believe that the products displayed under the two marks are either from the same producer or that there is a connection between them. This notional consumer, looking for snack foods, has no knowledge of the different classes applicable to the two products in terms of the TMA. He or she should be taken, on the evidence of reputation, to be familiar with the TAKIS brand of snack foods and will now be confronted with another snack food, albeit chips, under a similar mark. I am of the view that there is, on all probabilities, a likelihood of confusion or deception.

- 5.11 The learned judge in the court a quo has erred in not having considered the situation confronting the notional consumer and has therefore failed to apply the test relating to comparison and likelihood of confusion, correctly (or at all). Had he done so, I am of the view that he would have come to a different conclusion.

[6] Conclusions

- 6.1 A comparison of the marks on a phonetical (aural) level reveal that they are identical. The addition of the secondary word FUEGO does not sufficiently distinguish the marks and the phonetic identity linked to the prominent use of the word TAKIS remains.
- 6.2 The TAKIS FUEGO logo is visually deceptively or confusingly similar to the appellant's TAKIS mark. The dissimilarities caused by the insignificant differences in font, the addition of the negligible BARCEL logo and the

secondary word FUEGO are insufficient to remove the deception or confusion.

- 6.3 On a conceptual level the marks are also similar. The dominant concept in each of the marks is the prominent use of the word TAKIS. It is this word which the notional consumer will conceptually identify and associate with the mark (and the goods).
- 6.4 Regarding the issue of similarity of the goods, the respondent has in its answering affidavit conceded that both the appellant's and the respondents' products are "snack foods". The respondent went as far as to concede that the appellant's products are "*considered more healthy snack foods*" while chips (or crisps) "*... are considered as one of the most unhealthy snacks*". Having made this concession, the reliance of the goods being in different clauses pales into virtual insignificance, particularly in view of the photographic evidence that the appellants products are sold in convenience and retail stores in close proximity to other snack products, such as those of the respondent.
- 6.5 Applying the factors relevant to the comparative exercise listed in *British Sugar* (above), the snack foods of the respondent have the same users (consumers) as that of the appellant, are sold side-by-side in convenience outlets and compete with each other as snack food options.
- 6.6 There is sufficient uncontroverted evidence that the appellant has established the requisite reputation in the mark and its use. This is evident from confirmed use since 2003 as well as the research data obtained from Catalyst Research and the Nielsen Company, which confirmed inter alia that the appellant holds approximately 40% of the pre-packed biltong market, apart from house brands.

6.7 In these premises, I am of the view that the appellant has satisfied the requirements of sections 10(12), 10(14), 10(16) and 10(17) of the TMA read with section 24(1) thereof.

[7] Costs

In my view the appeal should be upheld and I find no cogent reasons why costs should not follow the event.

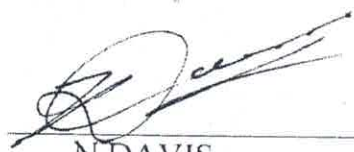
[8] Order

I propose that an order be made as follows:


1. The appeal is upheld with costs.
2. Paragraph (a) of the order by the court a quo is set aside and replaced by the following order:

“a.1 the registration of trade mark application number 2012/14977 TAKIS FUEGO device in class 30 is cancelled; and

a.2 the respondent is ordered to pay the applicant's costs.


N DAVIS
Judge of the High Court
Gauteng Division, Pretoria

I agree.


B NEMAVHIDI
Acting Judge of the High Court
Gauteng Division, Pretoria

The dissenting judgment by Makhoba J is attached hereto and also separately uploaded on Caselines.

Date of Hearing: 1 September 2021

Judgment delivered: 10 December 2021

APPEARANCES:

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