IN THE HIGH COURT OF SOUTH AFRICA

(GAUTENG DIVISION, PRETORIA)

CASE NO: 47204/2021

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

02/03/22 [redacted]

In the matter between:

3RD LEVEL MARKETING AND MEDIA GROUP (PTY) LTD — **APPLICANT**

AND

SOUTHAFRICAN BROADCASTING CORPORATION LTD — **RESPONDENT**

JUDGMENT

This Judgment was handed down electronically by circulation to the parties' and or parties representatives by email and by being uploaded to CaseLines. The date and time for the hand down is deemed on February 2022.

BAQWA J:

A. INTRODUCTION

[1] The applicant seeks the removal of the Trademarks in terms of section 27(1), to 10 (3) and 10 (7) of the Trademarks Act,194 of 1993 ("The Act").

[2] The applicant has counched the relief sought in the following terms

2.1 Removal of the Tshivenda Music Awards trademark in classes 9 and 41;

2.2 Removal of TSHIMA trademark in class 9, 25, 38, and 41;

2.3 Costs of the application;

[3] The applicant launched this application at the Tribunal of the Registrar of Trade Marks on 6 March 2020 for *inter alia,* the rectification of the Register of Trade Marks, by way of expungement of the registrations of the mark in the classes mentioned above.

[4] The Registrar referred the application to the High Court for hearing in terms of the provisions of section 59 of the of the Act.

[5] Section 27 (1) of the Act provides:

> *"Subject to the provisions of section 70 (2), a registered Trademark 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 which it is registered, on the ground either.*

a) *that the Trademark was registered without any bona fide intention 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 trademark as contemplated by section 38, and that there has in fact been no bona fide use of the trademark 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".*

[6] Section 10 (3), 10 (4) and 10 (7) provides as follows:

"The following marks shall not be registered as trademarks or, if registered, shall, subject to the provisions of section 3 and 7, be liable to be removed from the register:

(3) a trademark in relation to which the applicant for registration has no bona fide claim to proprietorship;

(4) a mark in relation to which the applicant for registration has no bona fide intention of using it as a trademark, either himself or through any person permitted or to be permitted by him to use the mark as contemplated by section 38;

(7) a mark the application for registration of which was made mala fide".

[7] Section 38(1 and (2) of the Act provide:

"Where a registered trademark is used by a person other than the proprietor thereof with the licence of the proprietor, such use shall be deemed to be permitted use for the purpose of subsection (2).

(2) The permitted use of a trademark referred to in subsection (1) shall be deemed to be used by the proprietor and shall not be deemed to be used by a person other than the proprietor for the purposes of section 27 or for any other purpose for which such use is material under this Act or at Common Law".

B. BACKGROUND

[8] The background to this application is a contested terrain as the parties are not in agreement regarding the events proceeding the application for registration.

[9] In its founding affidavit the applicant states that prior to February 2012, it noticed that there were no awards for Vhavenda people and Tshivenda music.

[10] The applicant goes on to state that during or about February 2012, the applicant met with the respondent's Group Executive Mr Lesley Ntloko, and the respondent's General Manager of Public Broadcasting Stations Portfolio, Mr Zolisile Mapipa, *"to negotiate with the SABC to have the Awards broadcasted and advertised on any of the SABC's broadcasting platforms in order for The Awards to gain exposure, support and airtime". The exact date of the meeting and the detail of what was discussed is not clear.*

[11] Subsequent to this meeting, the applicant was introduced to the Marketing Manager of Phalaphala FM radio station with whom he met to pitch the 'Tshivenda Music Awards' concept.

[12] Subsequently, the applicant continues to say, in August 2012, the applicant and respondent entered into a trade exchange agreement.

[13] The applicant alleges that the terms of the agreement were that the applicant would provide the station with Marketing rights, branding rights, public relations services and media services to the value of R880 000 and, in exchange, the

respondent and the station would provide the applicant with airtime to the value of R100 000 which would be used exclusively to promote the Station's involvement with the Awards.

[14] The applicant states, further, that it wanted to broadcast and gain media coverage of the Awards.

[15] The Awards were held on 17 November 2012.

[16] The applicant also states that in addition to referring to the event as Tshivenda Music Awards it also used the abbreviation "TSHIMA" in reference to the same event.

[17] The applicant also contends that prior to its meetings with executives at the SABC and representatives of the Station, the respondent was not using the trademarks and only came to know about the Awards after its presentation to them.

[18] Responding to the background as set out by the applicant, the respondent, which is the South African Broadcasting Corporation Ltd which operates 19 radio stations and five television channels which provide broadcasting services to the South African Society as part of its mandate, the respondent states that it regularly hosts awards shows, which awards shows are broadcast via its television and radio channels.

[19] The respondent protects the intellectual property associated with these awards shows by registering the relevant trade marks for the relevant goods and services. It currently has 15 trademark registrations relating to

awards shows in addition to the registrations in issue. The respondent's earliest current Trade Mark registration is for the mark, SABC PEOPLES CHOICE ADVERTISING AWARDS, registered in class 35 on 18 March 2004.

[20] During 2011 the Station noticed that many Tshivenda –language musicians were not enjoying the same exposure and success as other musicians in the broader South Africa music industry. The respondent identified that the majority of Tshivenda-language musicians were not recognised by the South African Music Awards as they were either not effectively managed and were not being signed by record music labels. The Station then proposed hosting an awards event for the Tshivenda-language music and the respondent states that this is referred to and confirmed in the Strategic Implementation Plan for 2012, a document created on 16 February 2011 and completed on 10 November 2011 ("The Strategic Plan"). The plan proposed a budget for the Awards of R150 000 and funding by means of trade exchange agreements. The plan also indicates that the station intended to host the Awards in November and made numerous references to the Tshivenda Music Awards.

[21] Respondent states that during or around November 2011, after completion of the plan but prior to any meeting with the applicant, the station originated the trade mark TSHIMA.

C. OBJECTION IN LIMINE

[22] At the commencement of these proceedings the parties addressed me regarding the *objection in limine* raised by the respondent, namely, the applicant does not have the requisite *locus standi* to bring the application.

[23] It is legally required for an applicant to establish that it is an "interested person" for rectification of the Trade Mark registered under section 24,26, and 27 of the Act.

[24] The phrase "interested person" replaces what was previously referred to as "any person aggrieved" in the previous Act, the Trade Marks Act 62 of 1963 ("The 1963 Act").

[25] In *Ritz Hotel Ltd v Charles of the Ritz and Another* [1]("Ritz Hotel") persons interested were described as

> *25.1 All persons who are in same way or other substantially interested in having the mark removed from the register; including all persons who would be substantially damaged if the marked remained, and all trade rivals over whom an advantage was gained by a rival trader who was getting the benefit of a registered trade mark to which he was not entitled.*[2]
>
> *25.2 All persons who have a genuine and legitimate competitive interest in the trade to which the offending market relates. Danco Clothing Pty Ltd v Nu-Care marketing Sales and Promotions Pty Ltd and Another*[3] *(" Danco Clothing.") A*

[1] *1988 (3) SA 290 (A).*
[2] *Ritz Hotel at 308 A-B.*
[3] *1991 (4) SA 850 (A).*

trading interest which consists not of an actual trade but a genuine intention to trade, is sufficient to establish that a trader is interested.[4]

[26] There is an intense contestation between the applicant and the respondent regarding the attendance of meetings and why certain things were done. For example, the applicant states that the respondent fails to provide any justifiable reasons why Phalaphala FM having been established in 1965 only noticed in 2011 "that many Tshivenda language musicians were not enjoying the same exposure and success". The applicant contends that the respondent provides no details as to why and exactly when there was a sudden realisation after so many years that this was the case.

[27] The respondent on the other hand finds it strange that the applicant noticed the absence of awards for Vhavenda people and Tshivenda music as this did not fall within its business.

[28] In the founding affidavit the applicant avers that it creates and implements marketing strategies for its own clients and provides planning, conceptualisation and implementation of events. This, according to the respondent, was the service that the applicant provided to others which made no reference to the music industry.

[4] *See Ritz Hotel Supra 309 A.*

D. ANALYSIS

[29] In determining the issue of *locus standi* of the applicant, I have had to keep in mind the grounds on which the applicant bases its claim. The first one of those grounds is that the applicant was the first to conceptualise the "Tshivenda Music Awards" and that a presentation was made in this regard to the respondent's officials.

The second ground is that the trademark as currently registered constitutes a bar to the applicant's attempt to register its own trademarks.

Thirdly, the applicant claims that it has been using the marks since 2012 without any licence from the respondent.

Fourthly, the "Tshivenda Music Awards" and the "TSHIMA" trademarks are incorrectly on the register of trademarks.

Lastly the applicant is a potential rival of the respondent.

[30] It is trite that in motion proceedings an applicant must make its case in its founding affidavit. *Ipso facto*, it must simultaneously establish its *locus standi* in the founding papers. What this means in this case is that an applicant must specifically challenge each class of registration such as class 41, class 9 et cetera. The applicant in this case fails to do so.

[31] If any class had been dealt with regarding the different classes of registration in the founding papers, the applicant could potentially have established *locus standi.* Counsel for the applicant tried to establish the challenge through submissions from the bar regarding the classes sought to be challenged. Such submissions cannot be used as a substitute for what ought to have been deposed to in the founding affidavit.

[32] The applicant also claims to be a potential rival of the respondent in that it has previously used the marks without the permission of the respondent. Mere use is not sufficient. An applicant must demonstrate through evidence that it had established a reputation such that members of the public view those marks as emanating from the applicant. The applicant does not present such evidence.

[33] The weakest link in the application and which in my view is the most fatal to applicant's potential to establish *locus standis* is its failure to apply to register a trade mark. If it had done so, the respondent would have been compelled to raise an objection to the application, and such application and opposition by the respondent would have unequivocally established the applicant's locus standi.

[34] Significantly, despite the applicant's avowed interest and use of the marks, it has failed to formally challenge the respondent's registered trade mark from the year 2012 to date.

E. CONCLUSION

[35] Even though the applicant refers to certain trade mark applications which it claims to have filed, no copies of much applications are attached and no marks are identified as being the subject of such applications.

[36] Absent the facts on which the applicant relies on to establish its status as an "interested person" in relation to any goods and services for which the

trademarks have been registered, the applicant lacks the necessary *locus standi in iudicio.*

[37] In the result I make the following order:

The application is dismissed with costs which costs shall include the costs of counsel.

SELBY BAQWA
JUDGE OF THE HIGH COURT
GAUTENG DIVISION, PRETORIA

Date of hearing: February 2022

Date of judgment: February 2022

Appearance

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