IN THE HIGH COURT OF SOUTH AFRICA
(TRANSVAAL PROVINCIAL DIVISION)
Pretoria

Case no. 20162/06

Judgment reserved: 14/02/07
Judgment handed down: 23/02/07
UNREPORTABLE

In the matter between:

SUNSMART PRODUCTS	Applicant
and	
MOONGATE 130 (PROPRIETY) LTD	1st Respondent
THE REGISTRAR OF DESIGNS	2nd Respondent

JUDGMENT

LEGODI J,

INTRODUCTION

1. In this matter, the applicant brought an application against the respondents in terms whereof the applicant sought to revoke the design registration number A2003/ 0 1456 belonging to the first respondent.

2. The second respondent was cited in these proceedings in its capacity as registrar of designs.

BACKGROUND

3. On the 26 November 1997 a South African design registration A97/ 1155 was applied *for* in class 20 *for* registration in part A in the names of David James Sampson, Clive Herbert Hatton and Garth Lionel Hatton and was duly registered by the second respondent on the 10 June 1998.

4. The design was to apply to an article referred to in the certificate of registration as a flag, but referred to in these proceedings by the applicant as a flying banner.

5. On the 14 June *2002,* the then registered proprietors of the design registration referred to in paragraph 3 above, assigned this design registration to the applicant, Sunsmart Products (PTY) LTD. This assignment was registered on the 1 July *2002.*

6. It is important to mention that in the definitive statement by the previous registered owners of the design, the novelty of the design as applied to a flag, banner or the like, lied in the shape and or configuration thereof, substantially as shown in the said accompanying drawing to the application referred in 3 above. On the other hand, explanatory statement related to a flag or banner shaped substantially like an inverted teardrop 10 and was adapted to be engaged by a flexible pole 12.

7. On the 19 November 2003, the first respondent applied for a registration of a design under number 2003/01456, which design was then registered on the 24 November 2003 under class 20 Part A.

8. The articles to which the design was to be applied was referred to as a BANNER or FLAG. In the definitive statement, the novelty thereof was described as *"The Novelty of the design* as *applied to* a *banner or flag resides in the shape and or configuration thereof, substantially* as *shown in the photograp".*

9. During or about 2004, the present applicant brought an application for infringement under case number 21061/04 of its design registration A97/ 1155 against a number of respondents.
In that matter, the reliefs sought were as follows:

Interdicting and restraining the respondents from infringing the design registration aforesaid.

Directing the respondents to deliver up to the applicant for destruction all infringing flying banners in their possession or under their control.

Directing the respondents to inform the applicant if the identity of the third persons involves in the production and distribution of the infringing flying banners and their channels of distribution.

10. The matter under case number 21061/04 was finalized before Claassen J, when he found in favour of the applicant on the 10

February 2006. This matter is now the subject of a pending appeal.

11. Subsequent to the finalization of the matter before Claassen J, the applicant instituted the present application for revocation of the first respondent's design registration 2003/01456.

12. When this matter was first laid before me on the 16 November 2006, I postponed the matter sine die to enable the parties to verify whether or not the first respondent's design registration 2003/01456 was an issue in the matter which was finalized before Claassen J, which matter was now the subject of the pending appeal.

13. I made this order or directive as counsel for the first respondent urged me not to deal with the matter, pending the outcome of the appeal. His submission, being that the outcome of the appeal in the matter under case 21061/04, would of necessity dispose of the dispute between the parties in the matter before me.

14. Whilst I indicated to the parties that I was not ceased with the matter, I however, directed that when the matter was again enrolled, the parties should prepare heads of argument on whether or not the issue or issues in the present were the subject of the matter on appeal. I implied in the directive, whether the issues in the appeal matter, could dispose of the issues in the present matter, directly or indirectly. Incidentally, the matter was again brought before me.

ISSUES ARGUED

15. Two issues were argued before me, without going into the merits of the matter, that is:

Whether or not the matter should be stayed, pending the outcome of the appeal in the matter finalized before Claassen J,
under case number 21061/04?

Whether or not when considering the lack of novelty, of a design registration, a comparison of the design resignation in issue
and the prior design registration, was necessary?

THE APPLICABLE PRINCIPLE

16. Our superior courts possess inherent jurisdiction to present abuse of their processes by staying proceedings in certain circumstances, but the power to do so, will be exercised sparingly and only in exceptional circumstances. This should
be done with very great caution and only in exceptional cases. **(See Herbestein & Van Winsen, The Civil Practice of the Supreme Court of South Africa 4th Edition).**

17. Clearly, the courts does have a discretion which has to be exercised judicially and sparingly, having regard to an element of fairness and convenience. Duplication of issues should be avoided, without of course, barring a litigant from being heard
or causing unnecessary delay in the resolution of genuine disputes. It is in this spirit, that I, proceed to consider the two preliminary issues before me.

DISCUSSIONS, SUBMISSIONS AND FINDINGS

18. Although I am of the view that the second issue referred to in paragraph 15 above would only be relevant, if one was to deal with the merits, I however, allowed the parties to argue the matter.

19. Dr Burrel, a patent attorney on behalf of the applicant, urged me to find that there were no exceptional circumstances justifying the stay of the present proceedings pending the appeal aforesaid.

20. Firstly, it is important to mention that the first respondent design registration A2003j01456 was placed before the court in the matter which was finalized by Claassen J. The flag or banner referred to in the definitive statement of the novelty of the design was attached to the proceedings before Claassen J. In the answering affidavit of the 4th respondent" Mr Keith Arnold Munro before Claassen J, annexed a copy of the design registration A2003/01456. Remember, Mr Munro is also a director of the first respondent and a deponent in the present proceedings. Secondly, it was product of this design registration 2003 / 01456 which was found by Claassen J, to be infringing on the applicant's prior design A97/1155.

21. It is now Dr Burrel's submission that such a finding of infringement of the prior design registration of the applicant by the first respondent's design registration 2003 / 01456 through its product had nothing to do with the revocation of the first respondent's design registration as a whole due to its lack of

novelty. That is the issue before me is whether or not the first respondent's design registration can be said to be new and original.

22. The real issue as I see it, is whether the first respondent's design registration if it was to be found not to infringe on the prior design through its product, could still be found not to be new and original or to put it differently "Can the prior design found not to be infringed by the first respondent's design registration, still be found to destroy or be destroyed by the first respondent's design registration?"

23. Remember, every product of the first respondent's design is actually embodied in the design registration itself. That is, the product cannot exist independently from the design registration. Indeed, the principle relating to novelty is *"catch the eye".* That is, the test to be applied is the eye of the court as seen through the spectacles of the customer.

24. On behalf of the applicant, Dr Burell moves from the premise that, there is nothing on record in Vari -Deals specifying for example, that the infringing activities of the respondents in that case, had been made in accordance with design registration A2003/01456. This is to put more precisely as argued by counsel on behalf of the applicant the actual construction of a product in accordance with design registration A2003/01456 was not an issue in Vari-Deals. Claassen J is said to have made no reference in his judgment to the first respondent's design registration A2003/ 10456. This might be so, however, I fail to understand this submission as it was made to be in

paragraphs 6 and 7 of his heads of argument dealing with the stay of the proceedings.

25. It is this very contention which made the matter to be postponed on the 16 November 2006. The offending banner or flag in the matter before Claassen J appeared on page 24 of the paginated papers in that matter. It was marked JB4. This annexure JB4 is clearly a product in design registration 2003/01456. In addition, the fifth respondent in the matter before Claassen J, annexed to its answering affidavit as annexure UF1, what the fifth respondent termed "a photograph of the whole of the banner". This in my view, is a resemblance of design registration 2003/01456. **(See page 132 of the paginated papers under case number 21061/04).** Mr Munro, the fourth respondent in the matter under case number 21061/04, in his answering affidavit, page 104 thereof, annexed as B4, the flag or banner in the design registration 2003/01456. In my view, the fact that Claassen J did not specifically refer to design registration 2003/01456 does not mean that he did not deal with it. It was an offending product in the design registration 2003/01456 that was before him. This product cannot exist in vacuum without the design registration flag or banner. I revert to this later in the judgment.

26. I must immediately at this point, deal with the second point in limine. I understood the issue by the first respondent not to want comparison of the annextures like it happened in the matter before Claassen J. The submission in this regard was, it was not necessary to make such a comparison when dealing with novelty. I do not share this view. In deciding on the

29. It would bring about absurd situation, if I was to revoke the first respondent's design registration and next, the Supreme Court of Appeal finds that the first respondent's design registration annexure JB4 as a banner or flag under case number 21061/04 does not infringe the prior design registration of the applicant.

27. I need not go into the merits of the matter before me, especially in the light of the order I intend to make. I also do not think that the conduct of the proceedings herein by the applicant justifies a punitive costs order.

court that there would still be a place for the first respondent's design registration, should the Appeal Court for example, find that a product

ORDER

1. The applicant's application is hereby stayed pending the outcome of the appeal under case number 21061/04.

28. 2. The applicant to pay for the wasted costs for the day on a party and party scale.

related to the letters embroiled in my view, in the first respondent's design registration 2003/01456. These letters are in bold capital letters titled "NEW **HEIGHTS 1408**

M F LEGODI
JUDGE OF THE HIGH COURT

annexure JB4 ...fringes design. is a replica of the flag or banner 2003/01456. If this flag or banner was on appeal to be found infringing the prior design, in my view, that sign registration 2003/01456. ether or not it is original or new would become nent of the design registration velty thereof.

Applicant's Attorneys
MESSRS BURRELLS
C/O MESSRS STEGMANNS INC.
1st Floor, Celtis Plaza
South Block, 1085
Schoeman Steet, HA TFIELD
PRETORIA
Tel no. 012 342 6430

1st Respondent's Attorneys
EUGENE SKLAR
C/O HAHN & HAHN INC
222 Richard Street, HATFIELD
PRETORIATel no. 012 342 1774