

Delivered: 27 January 2009
REPORTABLE

/bh

IN THE HIGH COURT OF SOUTH AFRICA
(TRANSCAAL PROVINCIAL DIVISION)

CASE NO: 4175/07

IN THE MATTER BETWEEN:

EDGARS CONSOLIDATED STORES LIMITED OPPONENT

AND

EDWARD GEORGE WILLIAMS

RESPONDENT
(TRADE MARK APPLICANT)

IN RE: OPPOSITION TO TRADE MARK APPLICATION NUMBER 2001/4336: JET
MUSIC IN CLASS 35

JUDGMENT

SITHOLE, AJ

(A) INTRODUCTION

[1] This matter was heard by me on the opposed roll of Tuesday 22 May 2007. At the inception of the hearing it emerged that, in fact, there

were two applications before the Court, namely, the opposition to the trade mark application referred to above (hereinafter referred to as “the main opposition”), and an interlocutory application (hereinafter referred to as “The interlocutory application”).

- [2] In both applications the parties were duly represented. Advocates C Puckrin SC and R Michall appeared on behalf of the opponent in the main opposition as well as in the interlocutory application, whilst Adv. A J Bester appeared for the trade mark applicant or respondent in the main opposition and for the First and Second Applicants in the interlocutory application. It is a matter of record and logic that the interlocutory application was the first to be heard. After hearing argument it became necessary that judgment be reserved and the matter postponed *sine die* as counsel had referred the Court to several authorities which needed to be researched.

[3] There has been a seemingly inordinate delay in finalising judgment in this matter. This occurred as a result of circumstances beyond the presiding Judge's control and any inconvenience caused by such delay is deeply regretted. Nonetheless, judgment in this matter follows below:

(B) FACTUAL BACKGROUND

The Interlocutory application

[4] The two Applicants in these proceedings namely JET MUSIC CC (hereinafter referred to as "Jet Music CC"), the First Applicant and Mr EDWARD GEORGE WILLIAMS (hereinafter referred to as "Williams") the Second Applicant, brought an application in this Court against EDGARS CONSOLIDATED STORES LIMITED

(hereinafter referred to as “Edgars”). The Respondent, in terms of which they seek the following orders:

4.1 Directing that the issue relating to the joinder of the Applicant as the respondent in the opposition be separated from the remaining issues in the opposition and that it be heard separately and *in limine*;

4.2 Declaring the joinder of the Applicant as a respondent in the opposition a misjoinder, and accordingly;

4.3 Dismissing the opposition with costs.

Alternatively, and in the event of the Court not dismissing the opposition on the above-mentioned misjoinder ground, an order:

4.4 Granting the Second Applicant leave to intervene in and to join the opposition as a Second Respondent;

4.5 Directing the Second Applicant within 20 days of the date of this order to file his answering affidavit in the opposition with or without a counterclaim.

4.6 Costs of these applications in the event of them being opposed.

[5] It is common cause that Williams filed an application numbered 2001/04336 to register a trade mark JET MUSIC (hereinafter referred to as “the trade mark”) in class 35 in respect of services relating to “the retail and wholesale of compact discs and cassettes’ in his name.

[6] *Ex facie* the register of trade marks the applicant for the registration of the trade mark is “Edward George Williams”, that is, the Second

Applicant in the interlocutory application, who is also the owner of the trade mark.

[7] Edgars, who claims to be the proprietor of the trademark JET, used in respect of clothing stores and registered in class 42 in relation to “wholesale and retail services including mail order services”, opposed the trade mark application by Williams on the ground that use of the mark JET in relation to music compact discs and cassettes will, in the face of the mentioned JET registration, give rise to deception and confusion.

[8] The said opposition by Edgars was lodged in the court of the Registrar of Trade Marks by way of issuing and serving a notice. Such notice was served only on JET MUSIC CC and not on Williams.

[9] The opposition was then set down for hearing in the Court of the Registrar of trade marks. In its heads of argument filed with the Registrar before that hearing, however, Jet Music gave notice that it would *in limine*, argue the misjoinder of Jet Music and the non-joinder of Williams in the opposition.

[10] On the day of hearing, however, the mentioned objection was not heard as the opposition was referred to this Court for adjudication in terms of Trade Mark Regulation 19(2)(i), which provides that where an application cannot properly be decided on affidavit, the Registrar may refer the matter to the High Court.

(C) THE ISSUES TO BE DECIDED BY THIS COURT

[11] The first issue to be decided is whether there has been a misjoinder of JET MUSIC CC in the launching of the opposition proceedings by

Edgars, more so that no notice of opposition was served on Williams to join him as respondent in the opposition to the registration of the trade mark.

[12] The second issue is whether the opposition proceedings by Edgars ought to be dismissed, should this court find that there has been a misjoinder of Williams. Alternatively, whether Williams ought to be allowed to intervene in the opposition proceedings if a misjoinder is found by the Court to exist.

(D) CONTENTIONS AND SUBMISSIONS ON BEHALF OF THE APPLICANT

[13] In his heads of argument, Mr Bester contended and submitted on behalf of the Applicants that:

(13.1) There is a close affinity between the question of non-joinder and misjoinder, on the one hand, and intervention on the other. In support of the above proposition, he quotes *in extenso* from the decision *United Watch & Diamond Co Pty Ltd and Others v Disa Hotels and Another* 1972 (4) SA 409 (C) at 415C-416H, as authority. He also referred to the following cases:

- (i) *Silverstar Development Ltd v Gauteng Gambling Board and Others* 2004 (2) SA 289 (T) at 316F-G; and
- (ii) *Roeloffze NO and Another v Bothma NO and Others* 2007 (2) SA 257 (C) at 268H-269D.

[14] Williams, as the applicant for the registration of the trade mark JET MUSIC and the owner thereof, has a direct and material interest in the opposition, more so that in his founding affidavit Williams says he is

“undoubtedly a party with a direct and material interest” in the opposition. This is not denied by Edgars in its Answering Affidavit. Williams is therefore entitled to oppose the opposition and that an order in the opposition directing the Registrar to refuse his application cannot be made in his absence.

- [15] In his founding affidavit Williams explains that he was initially represented by attorneys who had accepted instructions in the opposition when they, as attorneys also for Edgars, were in a clear conflict of interest. It was only when the Applicant’s present attorneys of record were appointed that the joinder issues, the prejudice for him and the necessity of an objection on the joinder issues and that failing, an interventions as a respondent, became apparent.

[16] Edgars has, however, on its own version since at least 3 November 2006, that is, the date of the filing of Jet Music's heads of argument in the court of the Registrar of Trade Marks, known that JET MUSIC would raise an objection, *in limine* to the mentioned misjoinder of Jet Music and the non-joinder of Williams in the opposition. Despite that knowledge, however, Edgars did nothing to remedy that defect in the opposition.

[17] When fully informed of his and Jet Music's respective legal positions by his new attorneys of record and when faced by Edgar's apparent unwillingness to either withdraw the opposition or to apply for Williams joinder, Williams was therefore obliged to launch the Interlocutory Application in order to remedy that state of affairs and to protect his personal interests.

[18] Edgars now contends that the said misjoinder of Jet Music and the non-joinder of Williams amount to a mere “error” that is “...” of no significance whatsoever in these proceedings”. Edgars further contends that “... trade mark opposition proceedings are not against any person but are against the relevant trade mark application”, apparently implying that the citation of and notice to the applicant for registration is unnecessary. Accordingly, Edgars deny a misjoinder and a non-joinder and contend that this “simple error” could “... to the extent that this may be considered necessary, the Respondent ... at the hearing of this matter ... will request the above Honourable Court to make such corrections.”

[19] Edgars further contends that because Jet Music and Williams “... have been fully aware of the error in the citation of the name of the trade mark applicant at least about October 2006, without taking “... objection to the error in the citation ... in terms of Rule 30 of the

Rules of the above Honourable Court” They “... have now waived any such right” (presumably under the exclusion provided in rule 30(2).)

[20] In the above premises Edgars then claims that an intervention by Williams for the purposes of joining in the opposition as a Respondent is not necessary as the “true reason” [for] that relief is that he wants to “... file an answering affidavit in the opposition with or without a counterclaim” and that he is “... obviously simply attempting to supplement the evidence that he has already given: which Edgars contends is “... unjustified and should be refused.”

[21] The above position adopted by Edgars is untenable from any legal perspective and bad in law for the following reasons:

(21.1) It is of course William's right, as the owner of the trademark and the applicant for its registration, to seek leave to join in opposition proceedings that will impact adversely on his ownership and his application, to file an affidavit in those proceedings and to counterclaim in them for relief of his own.

(21.2) Rule 30 is directed at "irregular" steps and proceedings in litigation, therefore at irregularities of form, not of matters of substance, such as, for example, lack of *locus standi*, failure to disclose a cause of action, mis- and non-joinder, etc. In respect of the latter, the practice is to object by way of a plea in abatement (although an exception and so-called "irregular step" application are apparently also available.) Vide, *inter alia*, *Peacock v*

Marley 1934 AD 1; and *De Polo and Another v Dreyer and Others* 1990 (2) SA 290 (W) at 293.

(21.3) A failure therefore to make an objection in respect of mis- and non-joinder in terms of Rule 30 does not have as a consequence, as alleged by Edgars, that a party is precluded from excepting or raising an objection *in limine*. Moreover, the waiver alleged by Edgars can, in the absence of proof by Edgars of full knowledge of the right waived by Williams and a clear intention by him to abandon it, never be inferred. The case *Borstlap v Spangenberg en Andere* 1974 (3) SA 695 A at 74F-H is quoted in support of the above proposition as authority.

(21.4) Edgars simply failed to adduce any evidence of such an alleged waiver.

[22] It is also trite that in the case of a pleading in which a party is clearly recognizable, although incorrectly cited or described, the pleading may be amended so as correctly cite or describe that party because such a correction amounts to a mere “clarification of a defective pleading.” However, what Edgars seeks to do here, namely the introduction into the opposition of a new legal entity by way of an amendment is on a completely different footing and cannot be the subject matter of an amendment and in particular not the *laissez faire* and casual “correction will be sought at the hearing” type of attitude adopted by Edgars. That much is underscored in the following case:

(22.1) *Dischem Pharmacies (Pty) Ltd t/a Mondeor Pharmacy v United Pharmaceutical Distributors (Pty) Ltd t/a UPD Lea Glen* 2004 (2) SA 166 (W) at 169 and 172, wherein counsel for the applicant quotes extensively what was held by the court whilst

citing the case, *inter alia*, *Embling and Another v Two Oceans Aquarium CC* 2000 (3) SA 691 (C).

(22.2) *Blaauberg Meat Wholesalers CC v Anglo Dutch Meats (Exports) Ltd* 2004 (3) SA 160 (SCA) at par [18] from which counsel for the applicant has also quoted.

[23] In as much as Edgars further contends that trade mark opposition proceedings are not against any person but are against the relevant trademark application and by implication that there is therefore no need to join Williams or to serve the notice of opposition on him, that submission is ill-founded in that:

(23.1) It slights the abovementioned service requirement of Trade Mark Regulation 19(2); and

(23.2) It confuses the jurisdictional requirement relating to the existence of a party with the jurisdictional requirement relating to the existence of a cause of action. The *Dischem* and the *Embling* cases are once more referred to.

[24] In the above premises, the Applicants in this interlocutory application have shown that Williams is an indispensable party in the opposition as he, as the trademark owner and applicant for registration, has a direct and substantial interest in the fate of this application and that his interests will undeniable be affected if he is not joined in the opposition.

[25] Applicants therefore submit that the opposition stands to be dismissed with costs upon the basis of the fact that Edgars has mis-joined JET

MUSIC and has not joined Williams in the opposition, and has failed to do so despite clear knowledge of that mis- and non-joinder.

[26] In this regard it is emphasised that the courts have stressed that where an issue such as non-joinder has pertinently been raised and where despite such knowledge, the defaulting party thereafter fails to take steps to join a necessary party, such a non-joinder would be fatal and would not be excused. It was, for example, held in *Ricketts v Byrne and Another* 2004 (6) SA 474 (C) at 4789H-I, that “there can be no sympathy” for an applicant who fails to join a necessary party and “... the applicant must bear the consequences” of that failure as on “... that basis alone the application falls to be dismissed.”

[27] In the premises the Applicants submit that in the interlocutory application they have shown that the opposition stands to be dismissed with costs. Alternatively, and in the event of the court not dismissing

the opposition, applicants submit that they have shown, on the facts alleged, that Williams is entitled to an order granting:

(27.1) Williams leave to intervene in and to join the opposition as a
Second Respondent.

(27.2) Directing Williams within 20 days of the date of this order to
file his answering affidavit in the opposition with or without a
counterclaim; and

(27.3) Costs.

(E) CONTENTIONS AND SUBMISSIONS ON BEHALF OF THE
RESPONDENT

[28] Mr Puckrin SC, in his heads of argument on the interlocutory application, contended and submitted on behalf of the Respondent that:

(28.1) This is an opposition to trade mark no. 2001/04336 JET MUSIC in class 35 that has been filed in respect of “services relating to the retail and wholesale of compact discs and cassettes.”

(28.2) Whilst trademark opposition proceedings are generally heard before the Registrar of Trade Marks, this matter has been referred to the above Honourable Division of the High Court in terms of the provisions of section 59(2) of the Trade Marks Act 1994 of 1993 (“the Act”).

(28.3) Apart from the opposition, there is also, currently, before Court an interlocutory application to discuss the opposition on certain technical grounds, alternatively, to permit another party to join the proceedings. It is based upon the identity of the parties.

(28.4) The opponent is Edgars Consolidated Stores Ltd. It is the registered proprietor of, *inter alia*:

(28.4.1) Trade Mark no 1976/01101 JET in class 42 (which services are now in class 35) in respect of “wholesale and retail services including mail order services”).

(28.4.2) Trade Marks (sic) no 1997/10056 JET (special form) in class 42 (which services are now in class 35) in respect of “retail, wholesale, marketing,

merchandising, distributing and mail order services, import and export services.”

(28.5) The trademark applicant is Edward George Williams (“Mr Williams”). This much is evident from the advertisement that appeared in the Patent Journal of November 2004 in which trademark no 2001/04336 JET MUSIC was advertised for opposition purposes.

(28.6) When the opposition proceedings were instituted however, the trademark applicant was typed on the form TM3 as being “Jet Music CC”. It is this simple error upon the form TM3 that is the catalyst for the interlocutory application in terms of which the applicants (in the interlocutory application) seek the dismissal of the opposition proceedings because of this so-

called “misjoinder”, alternatively, that Mr Williams be granted leave to intervene in the opposition proceedings.

(28.7) In the interlocutory application Mr. Williams goes into some detail as to how he allegedly commenced using the trademark JET MUSIC, how Jet Music CC was incorporated in 2001 as the corporate vehicle for the conduct of his own business and how Mr Williams considered JET MUSIC CC simply as his “alter ego”.

(28.8) He then simply states, as a basis for the dismissal of the application that Edgars “ought to have launched the opposition against me and not against the First Applicant” and that this therefore “constitutes a misjoinder”. In the event that the opposition is not dismissed, Mr Williams seeks on the same set

of facts and in the alternative, leave to intervene in the opposition as a Second Respondent.

(28.9) For the reasons which follow, the Respondent in the interlocutory application submits that there has been no misjoinder and that the error in the naming of the trade mark applicant is *de minimus* and capable of correction by way of a simple amendment. The Respondent points out that:

(28.9.1) The error of reflecting Jet Music CC as the Applicant in the notice of opposition is immaterial. Opposition proceedings are against the registration of the trade mark application and not against an individual, *per se*;

(28.9.2) Mr. Williams, at all relevant times, had full notice of the opposition proceedings and has had every opportunity of putting all of his evidence before court, which he has done. In any event, he considers himself and Jet Music CC to be one and the same for the purposes of the JET MUSIC business;

(28.9.3) Jet Music CC and Mr Williams do not indicate a single fact that would have been included in the answering evidence had the form TM3 (i.e. the notice of opposition) reflected Mr Williams as the trade mark applicant as opposed to Jet Music CC.

(28.9.4) In fact, it is quite apparent that Mr Williams himself did not even know who the true applicant

for the trade mark application was and himself thought that it was Jet Music CC;

(28.9.5) Not a single instance of any prejudice has been shown by either Jet Music CC and/or Mr Williams because of this immaterial error.

(28.10) It is therefore submitted on behalf of the Respondent that there is no basis as to why this insignificant error can be raised in an overly technical fashion in order to attempt to dismiss the opposition proceedings. Edgars will, at the hearing of this matter, move for a simple amendment of the notice of opposition (i.e. the form TM3) recording Mr Williams as the trade mark applicant.

(28.11) Similarly, the belated attempt by Mr Williams to want to intervene in these proceedings has no merit.

(28.12) The attempts by Mr. Williams now to raise the issue of Section 14 of the Act has nothing to do with the insignificant error on the form TM 3 nor does it justify the attempted intervention. Section 14(1) has already been relied upon and evidence has been filed in support thereof. It is clearly an eleventh hour attempt to bolster deficient evidence. Respondent submits that it is not appropriate for litigation to proceed in such a manner.

(28.13) As such, it is submitted on behalf of the Respondent (in the interlocutory application) that

the point *in limine* and the application for intervention is to be dismissed with costs, including the costs of two counsel.

(F) ANALYSIS AND FINDINGS

[20] Having read the papers of both the interlocutory application and the opposition to the registration of the trade mark, and having heard argument by counsel for the respective parties, the court arrives at the following findings, that:

(29.1) At the commencement of the hearing, Mr Puckrin, on behalf of the Respondent in the interlocutory application, made a significant concession that amounts to the Second Applicant's (Williams') application for leave to intervene in and to join the opposition as a second respondent

being unopposed. The reason for the concession is that there is no difference between simply correcting, by way of an appropriate amendment, form TM3 and the relevant headings of the various affidavits, on the one hand, and allowing Williams to be given leave to intervene on the other. As Mr Puckrin aptly (in the Court's view) put it: "... the distinction between that and conceding that Mr. Williams, the second applicant, be given leave to intervene seems to be to us, with respect, a distinction without great difference and it is for that reason that we do not want to be prodigal of your Lordship's time and to stand here and argue something where everybody agrees that there was an error". However, Mr Puckrin concluded his opening address by stating the following: "So I am prepared to concede 2.1 (of the Second Applicant's prayer), but I wish to make it entirely clear

that we will oppose 2.2 and no doubt my learned friend will address your Lordship on that.”

(29.2) It follows that half the problem has been solved by taking into account the concession made on behalf of Edgars (the Respondent). What remains for the Court to decide is whether the relief in 2.2, which is strenuously opposed by Edgars (the Respondent) should be granted as prayed for. Stated otherwise, whether an order directing the second applicant to file an answering affidavit with or without a counterclaim, in the opposition within 20 days of the date of this order ought to be granted, regard being had to argument by counsel for and against the order.

(29.3) Closely allied to the foregoing question is the issue of construction as to who Williams speaks for in his

affidavits for the registration of the trade mark. According to counsel for the Respondent in this application, Williams refers to and talks about himself throughout in his affidavit, especially if one bears in mind that the word “applicant” is used in the context of “applicant for registration”. As Mr Puckrin put it: “this entire affidavit is replete with references to Mr Williams himself. The logical conclusion of this interpretation by Mr Puckrin seems to be that because Williams has filed an affidavit in defence of the registration of the trade mark on behalf of Jet Music, wherein he speaks and refers to himself, then he has had his say and cannot be allowed by the Court to file a further affidavit to raise his defence, as he has raised it. As Mr. Puckrin put it: “It is simply a waste of time, it is a delaying tactic, with

respect, and one should get on with this opposition on the papers as they stand.”

(29.4) Counsel for the Applicants, on the other hand, contended and submitted that the above construction is incorrect and a complete misstatement of what Williams is saying in his affidavit. Where Williams refers to the applicant, Mr. Bester agreed, he is not referring to himself but to Jet Music CC (the First Applicant). Mr Bester cited certain paragraphs in Williams’ affidavit to illustrate this point. In particular he referred to where Williams states that: “I am the sole member of Jet Music CC, the applicant” and “I am acting for the applicant Jet Music CC.”

(29.5) It would appear, however, that Williams was at first confused or not sure about the legal capacity of Jet Music

CC, which he regarded as his *alter ego*, and his own standing at law. But, as he himself says: “the legal nature and implication that these relationships have (sic) since been explained to me.” It has now become clear to him that even if he acted as the sole member or representative of Jet Music CC, his standing and capacity as the Second Applicant is separate from that of the First Applicant. It need not, in my view, be mentioned that the confusion which existed and twirled in his mind is of no consequence, as it could not change the true legal position. At law, Jet Music CC (the First Applicant) and Williams (the Second Applicant) remain two separate entities, the one a juristic person and the other a natural person.

(29.6) Williams having applied for the leave of Court to intervene in the trade mark application and Edgars having conceded that Williams may be granted such leave, the question which remains to be answered is whether he has all the known rights and entitlements of a party who has been granted such leave. It is generally accepted in our law that a party may intervene in several ways, namely:

29.6.1 In terms of the common law (vide *Vitorakis v Wolf* 1973 (3) SA 928 (W) at 929C to 930B), a case cited by counsel for Applicants.

29.6.2 In terms of Rule 10(1) and (3) of the Rules of Court (vide *Vitorakis* case *supra* at 920.)

29.6.3 On the ground of convenience (vide *Ex parte Sudurhavid (Pty) Ltd: in re: Marine Resources (Pty) Ltd v Ferina (Pty) Ltd* 1993 (2) SA 737 (Nm) at 741A-F.

Also, it has been held that the Court has a wide discretion in applications for leave to intervene (vide *Hetz v Empire Auctioneers* 1962 (1) SA 558 (T).)

(29.7) Furthermore, the provisions of rule 12 of the Rules of Court state, *inter alia*, that where any person has applied for leave to intervene as a plaintiff or defendant in any action, the court may upon such application make such order, including any order as to costs, and give such directions as to the further procedure in the action as it

may seem meet. Taking into account the fact that this matter has been referred to this Court in terms of the provisions of section 59(2) of the Trade Marks Act 194 of 1993, it follows that it lies within the wide discretion of this Court, not only to grant leave to a party to intervene in particular proceedings, but also to make any order as to costs and to give such direction as to the further procedure in the proceedings as it may deem appropriate. Besides, a party who obtains leave to intervene is not restricted merely to opposing on the merits but may raise points or objections *in limine*, unless his rights are specifically curtailed. (Vide *Garment Workers' Union v Minister of Labour and Others* 1945 (2) PH F 69)

(29.8) Having said that, I find that *in casu* there is no cogent or compelling reason to curtail Williams' rights to file affidavits for the purpose of defending the opposition to the registration of Jet Music CC. As a new entrant who has obtained leave to join the fray in the opposition to the trade mark registration of Jet Music CC, Williams is fully entitled to state his case therein as best as he can, and it is not for this Court to muzzle or hamstring him in his effort to do so. This finding is made in the teeth of the spirited argument by counsel for the Respondent that Williams' attempt to file a further affidavit to raise his defence "is simply a waste of time" and "a delaying tactic", that, to postpone the matter "would simply give Mr Williams an opportunity to bolster his case." I find this argument unpersuasive and I am satisfied that justice cannot otherwise be properly done if leave to intervene is granted to the Second Applicant but he is denied the right to file an affidavit wherein

he states his case as a party to the best of his ability. I therefore hold that Williams is entitled to speak on his own behalf. This implies that he will have to file his own affidavit to deal with the merits of the opposition to the registration of the trade mark Jet Music CC. Furthermore, I refrain from pronouncing on or expressing any view on prayers 4.1, 4.2 and 4.3 *supra*, as these have been rendered superfluous by the concession made on behalf of the Respondent. In the result, prayers 4.4, 4.5 and 4.6 *supra* have to be granted. Consequently, the following order is made:

- (a) The Second Applicant is hereby granted leave to intervene in and to join the opposition as a Second Respondent.

(b) The opposition to the trade mark registration is postponed *sine die* and the Second Applicant is hereby directed to file his Answering Affidavit in the opposition with or without a counterclaim within 20 days of the date of this order; and

(c) The Respondent is hereby ordered to pay the Second Applicant the costs of the interlocutory application.

MNS SITHOLE
ACTING JUDGE OF THE HIGH COURT

D.M. KISCH INC

ATTORNEYS FOR THE APPLICANTS

ADAMS & ADAMS

ATTORNEYS FOR THE RESPONDENT

