



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

CASE NO: 83095/2016

29/3/18

DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE: ~~YES~~ / NO.

(2) OF INTEREST TO OTHER JUDGES: ~~YES~~ / NO.

(3) REVISED ☒

DATE 29/03/2018

SIGNATURE

In the matter between:

CRABTREE ELECTRICAL ACCESSORIES

SOUTH AFRICA - A DIVISION OF

POWERTECH INDUSTRIES (PTY) LTD

Applicant

and

LESCO MANUFACTURING (PTY) LTD

Respondent

JUDGMENT

DAVIS, J

[1] There are certain products which form part of everyday life insofar as the use of electricity is concerned. These are light switches and electrical plug sockets. Both the Applicant and the Respondent are manufacturers and

distributors of such products. The Applicant alleges that the Respondent is passing-off some of its products as being that of the Applicant.

[2] The relief claimed by the Applicant

The relief set out in the Applicant's Notice of Motion has been somewhat refined by its counsel in his heads of argument. In addition, it was argued on behalf of the Applicant that if the relief it sought under the heading of passing off is granted, it would also interdict the Respondent's alleged unlawful competition and that separate additional relief in this regard would therefore not be necessary. It limited the relief sought, therefore, to the following:

1. *An order interdicting and restraining the Respondent from passing off its Metal Range of electrical accessories and any other metal range of electrical accessories as that of the Applicant or as being connected in the course of trade with the Applicant by using in relation thereto:*
 - (a) *Any get-up which is identical to the get-up used in relation to the Applicant's Classic Metal Range of sockets and switches illustrated in annexure JC13 to the affidavit ("the founding affidavit") of James Edward Calmeyer ("Calmeyer");*
 - (b) *Any get-up which is likely to deceive or cause confusion due to its similarity with the appearance of the get-up used in relation to the Applicant's Classic Metal Range of electrical accessories as illustrated in annexure JC13 to the founding affidavit of Calmeyer;*
2. *Costs of the application, including the costs consequent upon the employment of two counsel where two counsel were used.*

[3] The applicant's case in respect of the "copied accessories"

- 3.1 Annexure JC 13 referred to in paragraph (a) of the abovequoted relief claimed by the Applicant consists of a brochure of “Crabtree”, driven by Powertech” and it depicts its “Classic Range”, described as “Tried and tested for over 20 years in the electrical industry”. It describes its light switch as having a modular toggle design”. It goes on to list single and “two-way” switch modules, bell press modules, neon indicator modules, various “partition yokes” and “coverplates”, multiple lever switches and their coverplates, socket cover plates, “switched sockets”, light dimmers, communication outlets, low voltage transformers, occupancy sensors and the like, products 166 in all.
- 3.2 Although it was argued that the whole of the Applicant’s “Classic Metal Range” should be included in the order as the Respondent is alleged to unlawfully compete therewith, the Applicant’s deponent, being the “Calmeyer” referred to in its proposed relief, says the following in his affidavit:
- 3.2.1 The Applicant’s range of products includes its plastic or so-called “Diamond” and “Topaz” ranges and its metal or so-called “Classic Range”;
- 3.2.2 The Classic Range of sockets, switches, dimmers, isolators and controllers and their respective components are included in Annexure JC 13;
- 3.2.3 The Classic Ranges’ sockets and switches are available in vertical and horizontal arrangements in configurations of one, two, three, four, five and six switches, one, two or 3-pin

sockets, in combinations of various switches and sockets and available in white, black, blue, red, chrome and brass;

3.2.4 The Crabtree Classic (Metal) range of sockets include a small 1 x 3 point horizontally switched wall socket, a large 1 x 3 point horizontally switched wall socket and a large 2 x 3 point vertically switched wall socket. It also includes small 1 – lever and 2 – lever vertically arranged wall switches and small 3 – lever and 4 – lever horizontally arranged wall switches;

3.2.5 In respect of the products listed in 3.2.4 above Calmeyer says:

“These three sockets and four switches form the subject matter of this application as they ... were copied by the Respondent”.

He then refers to these three sockets and four switches as the “copied accessories” in the rest of his affidavit.

3.3 Calmeyer in his affidavit sets out the history and origin of the Crabtree Company in the United Kingdom and the Applicant’s acquisition thereof. This is, in short, that the actual Applicant, Powertech Industries (Pty) Ltd had acquired, as a going concern, the Crabtree range of electrical switches and sockets, including stock, debts, fixed assets, intellectual property and goodwill from J.A Crabtree (Pty) Ltd in 1989. This pre-dates the employment of Calmeyer as the Applicant’s CEO since 2014 and his employment in either the Applicant or one of its sister companies in the Power

Technologies Group since November 1999. To some extent therefore his personal knowledge of the products since some of their alleged launched in 1994 has been questioned but, in the view I take of the matter, nothing much turns on this.

3.4 On behalf of the Applicant it was further submitted as follows:

3.4.1 The Applicant's primary complaint is that the Respondent has adopted a get-up for certain of its electrical accessories, namely its LESCO metal range of sockets and switches (the Respondent's "Metal Range") that is the same as, or substantially similar to the get-up used by the Applicant for its equivalent electrical accessories, namely the Applicant's CRABTREE Classic Metal Range of sockets and switches (the Applicant's "Classic Metal Range");

3.4.2 At the date of the entry into the market of the Respondent's Metal Range, the Applicant has acquired a substantial reputation in the get-up of its Classic Metal Range as result of its long and extensive use of that get-up in South Africa;

3.4.3 There is, therefore, a reasonable likelihood that ordinary members of the public, or a substantial section of them, might be confused or deceived into believing that the Respondent's Metal Range is the same as, or is connected in the course of trade with the Applicant's Classic Metal Range;

3.4.4 Thus, the Applicant says, the Respondent is passing off its goods as those of the Applicant;

3.4.5 The Applicant's second discrete complaint is that its goods incorporating that get-up were developed and commercialized and a substantial market for them was created, all at a significant expense of effort, time and money (i.e., the Applicant's performance) and that the Respondent is unlawfully reaping the benefit of this performance.

[4] Applicable case law

- 4.1 The extensive judgment in Schultz v Butt 1986 (3) SA 667 AD indicate that, in order for an applicant to succeed in an action based on alleged, unfair competition, he must show a competitive act comprising of the pursuit by a party of the custom of a competitor that infringes on the competitor's rights to the goodwill of its business and which pursuit is wrongful in the competitive sphere, adjudged by the *boni mores* of the respective business environment. Unlawful competition is therefore not restricted to known categories of unlawful competitive acts such as trading in contravention of statutory provisions, abuse of confidential information, copyright or design infringements or acting in breach of restraint of trade agreements with "poached" employees. It would also encompass acts of passing off one's own products as being that of a competitor or the appropriation of a receptive market created by a competitor without having to incur the expense incurred by a competitor in creating such a market;
- 4.2 In Capital Estate & General Agencies (Pty) Ltd v Holiday Inns Inc 1977 (2) SA 916 (A) at 929C the delict of passing-off has been described as follows:

“The wrong known as passing-off consists in a representation by one that his business (or merchandise as the case may be) is that of another or that it is associated with that of another and in order to determine whether the representation amounts to a passing-off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is, or is connected with, that another”.

See also: Premier Trading Co (Pty) Ltd v Sportopia (Pty) Ltd 2000 (3) SA 259 (SCA) and Jennifer Williams & Associates v Lifeline Southern Transvaal 1996 (3) SA 408 (A).

- 4.3 At common law there is no monopoly in a name, mark or get-up and neither in an unregistered design, such as in the present case. The only right which is therefore protected is the goodwill or “attractive force” and the only component of the goodwill of a business that can be damaged by means of a passing-off, is its reputation. See Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd 1998 (3) SA 938 (SCA) at 947G-I;
- 4.4 In Adcock Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SA 434 (W) at 436 – 437 it was found that what a party in the position of the Applicant had to prove was therefore “... *in the first instance that the Defendant has used or is using in connection with its own goods a name, mark, sign or get-up which has become distinctive in the sense that by the use of the Plaintiff’s name or mark etc in relation to goods, they are regarded by a substantial*

number of members of the public or the trade as coming from a particular source known or unknown ...”;

- 4.5 Although the identity of the source need not necessarily be known to consumers, the Applicant had to prove that the features of the four sockets and three light switches on which it relies had acquired a “meaning or significance” so that it indicated a single source of goods in which that feature was used. See Haggar Company v S.A. Tailorscraft (Pty) Ltd 1985 (4) SA 569 (T) at 573 – 574;
- 4.6 The vital question then is whether the shape or appearance of these sockets and switches is the crucial point of reference as to its origin for those who want to purchase them. See: Weber-Stephen Products Co v Alrite Engineering (Pty) Ltd 1999 (2) SA 489 (a) at 495D;
- 4.7 One should also bear in mind that the products in question are not artistic works and neither are they works of craftsmanship (as considered in Schultz v Butt supra). They are utilitarian items manufactured by an industrial process. See also Bress Designs (Pty) Ltd v G Y Lounge, Suite Manufacturers (Pty) Ltd 1991 (2) SA 455 (T) at 466 F – 467H and 468A – 470E;
- 4.8 In Hollywood Curl (Pty) Ltd and Another v Twins Products (Pty) Ltd (1) 1989 (1) SA 236 (A) at 271 the court of appeal held that “*A Plaintiff must show more than mere prior use by him of a particular “get-up”. He must show that the “get-up” has become in the mind of the public distinctive of one particular trader and no other trader; so that the “get-up” has come to mean, to the public,*

a product coming from a particular commercial source. They, the public, do not have to know the name of the trader. But it has to be shown that the product is, in the minds of individual members of the public who are buyers or potential buyers of the goods “the product of that manufacturer with whom I have become familiar “... where the “get-up” consists of characteristics of the product itself, such proof is not easy. The common law leans against the recognition of a monopoly right ...”

- 4.9 The Applicant claims final relief. It is trite that in motion proceedings an applicant can only succeed in securing such relief if, in the event of factual disputes, it establishes its case on the Respondent’s version (unless it is to be rejected as palpably untenable or so far-fetched that it should not be accepted at all) together with those portions of the Applicant’s version which the Respondent cannot really dispute. See: Setlogelo v Setlogelo 1914 AD 221 at 227 read with Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 A at 634E – 635C. In the event of irrevocable factual disputes, the Applicant in passing in its heads of argument requested a referral to oral evidence.

[5] The Respondent’s case

- 5.1 On behalf of the Respondent it was, inter alia, argued that in order to determine whether a party was guilty of passing-off a comparison must be made between the whole get-up of the party’s product with the whole get-up of the product of the other party. For this proposition reliance was placed on Stellenbosch Farmers’ Winery Ltd v Stellenbosch Winery (Pty) Ltd 1957 (4) SA 234C;

- 5.2 Once this is done, the undisputed evidence shows that neither of the parties' products are branded on the product itself, but are distinctly branded on its packaging. The Respondent uses a plastic sealed transparent bag for its packaging which incorporates a rectangular red label, identifying the product as part of the "Lesco Steel Range" (marked in grey) and bears the slogan "switch to local innovation". The Applicant's packaging on the other hand is a moulded transparent plastic packaging, oval at the top with its name "Crabtree" in lime green and the specific product description in some yellow and white colour. Its slogan is "The complete range". Both products are SABS approved and so labelled;
- 5.3 There can be no doubt that, when one considers the "whole get-up" utilized by the two parties when the products are packaged, that there can be no passing off of one as being associated with or originating from the other. They are startlingly distinctive from each other;
- 5.4 The Applicant maintains that the products are not so packaged when it is sold to or by wholesalers. To counter this attack, the Respondent sent an employee of its attorneys firm to visit a wholesaler. In a wholesaler outlet a customer is not able to walk by display shelves to choose his products. He (or she) approaches a shop counter and ask for the product, identified by a specific code or by a brand name, code or description. The product is then fetched and handed to the consumer for purchase. Similarly, if products are purchased in bulk or wholesale, it is done by way of the parties' brochures which in similar or even more explicit

fashion than the packaging, distinguish the two brands and their origin;

- 5.5 In its founding affidavit, the Applicant's deponent alleges that all the Applicant's products are branded. This can only have been correct if reference was intended to have been to the packaging as it is common cause that, absent packaging, neither of the Applicant's nor the Respondent's products are individually branded;
- 5.6 On the version of the Respondent, if a court were to therefore transport itself to the position of the purchasing public / the consumer, no instance of confusion or passing off would arise;
- 5.7 The applicant maintains that such confusion can still arise and referred to a third set of circumstances. This would be where the products are not sold packaged in a retail situation or purchased by name or specified code in a wholesale situation but are encountered once installed on a wall and may, for example, need replacement or supplementing or when retailers have repackaged the products in generic packaging. The Applicant has done a number of comparisons between the seven listed products of the Applicant and the offending products of the Respondent (the so-called "copied accessories") and concluded that they are so similar in configuration and shape (apart from those features dictated by functionality) that any differences are immaterial and that one can be confused for the other.
- 5.8 As illustration of this confusion the Applicant produced what it called primary evidence, being the affidavits of witnesses.

5.8.1 The first two of these witnesses' are Messrs Craig and O'Connor. They state that they are both in the employ of the Applicant and together went in October 2015 to inspect and "investigate malfunctioned electrical sockets at a coffee bar in Donkin Street, Port Elizabeth". Upon inspection and removal of what they thought to be a Crabtree Classic coverplate, they found a Lesco socket module (an item which does not form part of one of the "copied accessories"). Upon closer inspection, it was then found that the coverplate itself was also a Lesco product. They state that they were similarly "fooled" by a light switch found on the premises. Apart from the fact that their affidavits were both improperly commissioned and not in compliance with the legal prescripts, their evidence only goes so far as to say that employees of the Applicant can be mistaken or confused as to the identity of the Respondent's products.

5.8.2 The third witness, Swart, states that he is a building contractor and that he in July 2015 sought to replace the existing white coverplates in his own residence with stainless steel plates. He went to Built-it in Worcester and bought what he thought would be matching Crabtree Classic Range coverplates but found that they did not match. Upon returning them to Built-it he found out that they were Lesco products. He did not in his affidavit identify the specific products purchased, nor did he mention whether he replaced plastic cover plates with steel ones and, more importantly, he did not identify the packaging in which he had bought the

Lesco products. The Respondent says it would have been packaged as described in paragraph 5.2 supra;

5.8.3 The fourth witness is another of the Applicant's employees who stated that he once saw some of the Respondent's sockets packed into old boxes bearing the Crabtree logo at a wholesaler. He contends that this was as a result of confusion on the part of the wholesaler's staff. On the photograph accompanying his affidavit, the Respondent's products were however still packaged and it is not clear whether their labels were absent or had merely been folded back. What was clear however, was that the items were bar-coded by the wholesaler as on "ESCO" product. This, the Respondent says, should have been "Lesco" but sufficiently indicates that the wholesaler knew that the products did not emanate from the Applicant and that there was therefore no confusion.

5.9 Even if the affidavits of a single member of the public and three of the Applicant's staff members were to be accepted as proving the possibility of confusion between the products due to their similarity, there is still the issue of whether the Applicant has established a goodwill or reputation in respect of the listed unbranded products when devoid of packaging or other instances of a "get-up". There is no talk in the present instance of passing-off or confusion in the use of a name, trade description, labelling, packaging or trade mark such as described in Brain Boswell Circus (Pty) Ltd v Boswell-Wilkie Circus (Pty) Ltd 1985 (4) SA 466 (A) at 479 B-D, Caterham Car Sales supra at [21] or in Royal Beech-

nut (Pty) Ltd t/a Manhattan Confectioners v United Tobacco Co Ltd t/a Willards Foods 1992 (4) SA 118 (A) at 122 E-F;

- 5.10 The Applicant seeks to prove its reputation by alleging a substantial market share in the electrical accessories market. Its figures are however somewhat vague and unsubstantiated and do not satisfy the requirements for the supply of primary facts to justify the conclusion put forward as assertions of secondary facts. See: Swissborough Diamond Mikes (Pty) Ltd v Government of the Republic of South Africa 1999 (2) SA 279 (T) at 324 to 325. The sales figures relating to the Crabtree Classic Metal Range in itself merely indicate a successful business but does not justify the conclusion that the shape, appearance and configuration of the listed products have either thereby acquired a reputation of their own or that they are so identifiable by consumers that the reputation vested therein has contributed to those sales figures. No comparative sales, market forces or shifts, marketing trends, prohibiting import prices or any of a number of other possible vagaries have been computed, included, excluded or even been referred to. The sales figures might bolster Crabtrees' reputation but does not indicate that a "feature" of the listed products themselves, have acquired such a reputation or distinctiveness. See: Reckitt & Colman Products Ltd v Borden Inc [1990] 1 All ER 873 at 880g-h and Adcock – Ingram Products Ltd v Beecham SA (Pty) Ltd 1977 (4) SS 434 (W) at 437 A-B as both quoted in De Freitas v Jonopro (Pty) Ltd 2017 (2) SA 450 at [29];
- 5.11 The Respondent further states through its founder that the Applicant had, prior to 2015 "a very low profile" in the retail sector

of the market. On its own version, the Applicant only commenced “effectively” selling its electrical goods and accessories in the retail sector after “joining force” with Eurolux which provided it with an “instant presence in the retail market”. The Lesco trade mark has also been used for more than 17 years and has acquired a reputation of its own and it entered the retail market before the Applicant;

- 5.12 In addition, the design of the Lesco products, so its deponent says was adopted from other businesses, notably Switch King Electrical Industries (Pty) Ltd at which the Respondent’s deponent had started working in 1971;
- 5.13 The Respondent denies any passing off or unlawful competition. It states that:

“Lesco is a member of SAFEhouse, an association formed by interested parties on the South African electrical industry to combat the prevalence of unsafe products and services. SAFEhouse informs buyers and those who influence buying decisions of the required safety criteria to assess products and services. It also exposes parties selling substandard products and rendering unsafe and substandard services.

All the products manufactured by Lesco are sold in packaging clearly marked with the Lesco trade mark accompanied with the slogan mark SWITCH TO INNOVATION and with the red colour label Lesco products are never sold in unmarked packaging and have never been sold in unmarked packaging.

5.14 The Respondent denies that the Applicant (or Crabtree for that matter) had acquired any reputation or goodwill in the listed products themselves separate from the Crabtree trade mark;

5.15 I find no reason to reject the Respondent's version as patently false or untrue.

[6] If I then apply the Plascon-Evans rule referred to above to the affidavits filed of record in this case, it appears to me that the Applicant seeks to monopolise a design of sockets and switches which are either generic or in which it has not acquired an own and independent reputation. It also seeks to restrain the Respondent from using similarly designed sockets and switches in circumstances where the Respondent clearly marks its products with distinctive and distinguishing packaging and trade marks and without any misrepresentation or passing off.

[7] The Applicant has therefore not satisfied the onus required for the granting of the relief it sought. Having regard to the conclusion which I have been able to reach on the papers I am of the view that this is not a matter which should be referred to oral evidence.

[8] I find no reason to depart from the general principle that costs should follow the event.

[9] Order

The application is dismissed with costs.


N DAVIS

Judge of the High Court
Gauteng Division, Pretoria

Date of Hearing: 16 March 2018

Judgment delivered: 29 March 2018

APPEARANCES:

For the Applicant:

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