



IN THE NORTH GAUTENG HIGH COURT, PRETORIA

[REPUBLIC OF SOUTH AFRICA]

CASE NUMBER: 84301/ 2017

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

11 / 01 / 2019
DATE

In the matter between:

In the matter between:

STEELITE TOWBAR AND SILENCER CENTRE CC t/a Autobar

And

AUTOFIT FITMENT CENTRE CC

JACOLETTE FOURIE

GIOVANNI FOURIE

APPLICANT

1ST RESPONDENT

2ND RESPONDENT

3RD RESPONDENT

JUDGMENT

Mavundla J,

- [1] The appellant brought an application for an interdict restricting the respondents from using the name Autofit Fitment Centre CC, as well as using the logo Autofit

Centre, and directing the first respondent to apply for the change of its name with the Registrar of Companies.

- [2] The first and second respondents brought a counter application which in Part A seeks condonation for the late filing of their opposing affidavit filed on 11 April 2016, and in Part B seek an order directing the Registrar of Patents and Trademarks to cancel the trademark of the applicant which is registered as Autobair Fitment Centre.

AD CONDONATION

- [3] The respondents apply for condonation, which is opposed by the applicant. It is common cause that: the application was served on the respondents on 14 December 2017; the notice of intention to oppose was filed on 11 January 2018; there is no indication when the opposing affidavit was filed. The matter was on the unopposed roll but removed due to the notice to oppose. The matter was re-enrolled on 23 February 2018 on the unopposed roll of 4 June 2018. The matter was removed to be placed on the opposed roll.
- [4] In an application for condonation the court will have regard to the following¹:
- (i) Is it in the interest of justice that condonation should be granted²; in deciding the question of interest of justice, regard must be had to the following factors:
 - (a) The cause of the delay;
 - (b) The explanation and reasonableness of the delay, covering the entire period of the delay;
 - (c) The nature and defect causing the delay;
 - (d) The effect of the delay in the administration of justice; and
 - (e) The prejudice to be suffered by any of the other parties.
- [5] With regard to condonation, the greater the degree of delay is, the less the prospects of success are, regardless of the strength of the grounds upon which the appeal is premised, *in casu*, the action; vide *Van Wyk v Unitas Hospital (Open Democratic Advice*

¹ *Vide e Thekwini Municipality v Ingonyama Trust* 2014 (3) SA 240 (CC) at 246 para [24].

² *Bertie VanZyl (Pty) Ltd and Another v Minister of Safety and Security and Others* 2010 (2) SA 181 (CC)

Centre as Amicus Curiae)³; *Immelman v Loubser*⁴. In the matter of *Madinda v Minister of Safety and Security*⁵ it was held that the determination of 'good cause' entailed a consideration of all of all those factors which have a bearing on the fairness of granting condonation and affecting the proper administration of justice. Relevant factors might include (i) the prospects of success in the proposed action, (ii) the reasons for the delay, (iii) the sufficiency of the explanation offered, (iv) the *bona fides* of the application, and (v) any contribution by the other persons or parties to the delay and the applicant's responsibility therefor. In the matter of *Grootboom v National Prosecuting Authority and Another 2014 (CC)* the late *Bosielo AJ* held that: "[35] It is by now axiomatic that the granting or refusal of condonation is a matter of judicial discretion. It involves a value judgment by the court seized with a matter based on the facts of that particular case."

- [6] The applicant for condonation must satisfy the court by advancing an explanation showing that there was good cause for the delay. *In casu* the reasons advanced for the late filing of the opposing affidavit was that counsel on behalf of the respondents advised that attempts to settle the matter be embarked upon. Counsel subsequently went on a paternity leave and could only prepare the papers on his return on 19 March 2018. It was prudent to retain the same counsel because he was aquatinted with the facts of the matter. Besides, "the notice of opposition was given on 11 January 2018 and the answering affidavit is thus delivered approximately 22 (twenty two) days outside the 15 (fifteen)-day period, which delay is not substantial..."⁶
- [7] The respondents do not explain what steps they took between 11 January 2018 and 9 February 2018. In an application for condonation the whole period of delay must be explained, which the respondents *in casu*, failed to do. When a party realises that it is out of time, it cannot afford the luxury of picking and choosing counsel, but must engage counsel who can quickly prepare papers to be filed within time or within reasonable time if he misses the last date of filing.
- [8] According to the applicant's submission, the opposing affidavit was filed 45 days out of time. The opposing affidavit with the counterclaim was deposed to on 3 April 2018. The last mentioned date exceeds the alleged twenty two days by far and in fact exposes the

³ 2008 (2) SA 472 (CC) at 477A-B.

⁴ 1974 (3) SA 816 at 824B-C.

⁵ 2008 (4) SA 312 (SCA).

⁶ Paginated page 80 para 12.2 of the opposing affidavit.

misleading statement on the part of the respondent. In my view, the respondents appreciated the fact that their delay was too long, and consequently tried to mislead the court that the delay was only twenty two days. In the matter of *Grootboom v National Prosecuting Authority and Another*⁷ the Constitutional Court found a delay of 30 days to be unreasonable. I equally find that there was no reasonable explanation for the delay of 45 days advanced by the respondents. I find that, absent a reasonable explanation for the delay, it is not in the interest of justice that indulgence *in casu* should be granted.

- [9] Consequently, in the exercise of my discretion I conclude that the application for condonation by the respondents be and is refused.

AD APPLICANT'S APPLICATION FOR CONDONATION OF ITS REPLYING AFFIDAVIT AND
OPPOSING AFFIDAVIT TO THE COUNTER APPLICATION OF THE RESPONDENT.

- [10] The applicant applies for condonation for the late filing of its replying affidavit and its answer to the counterapplication. The reasons advanced for any delay are that:

The applicant caused on 24 April 2018 a Rule 30 Notice to be served after receiving the opposing affidavit and the counter application. The respondents failed to respond to the Rule 30 notice. The applicant on consideration, decided not to pursue the rule 30 notice but to file its replying affidavit and answer to the counterclaim.

- [11] The Rule 30 notice called upon the respondents to remove the irregularities raised by the applicant within 10 days from date of the notice, the ten day period expired on the 22 May. The applicant then had 10 days to take any further step, which is the filing of the replying affidavit. That ten day period expired on the 5 June. However the replying affidavit and the answer to the counterapplication was filed on 7 June 2018, which was two days out of time. In my view, the delay of two days was not significant. Regard being had to the cause of the delay and the insignificant delay, I am of the view that it is in the interest of justice that condonation be granted to the applicant.

- [12] In view of the fact that the condonation for the answering affidavit of the respondents was not granted, it stands to reason that such answering affidavit is as good as not before the court. The sequelae thereof is that the replying affidavit of the applicant is academic and I need not address same. The application of the applicant therefore stands as unopposed. I shall therefore deal with same before engaging the counter application of the respondents.

- [13] According to the applicant, it was registered as a Close Corporation during 1992, but its business is in existence for more than 40 years. It is registered as Steelite Towbar and Silencer Centre and trading under the name and style of Autobar Fitment Centre and is in the business of manufacturing and installing toward: bulbar; cattle rails and other related produce in the motor industry. It has during the past years also developed a

⁷ 2014 (2) SA 68 (CC).

specific market in the four by four vehicle industry which includes the supply and fitment of various 4x4 products on these types of vehicles, which also includes driving lights: dual battery systems as well as other related upgrades to these types of vehicles. Its trade mark was registered during 2005.

- [14] According to the applicant, the third respondent was invited into the applicant's business and offered to buy membership in the applicant which he accepted. There are other pending litigations because the third respondent never acquired membership. *According to the applicant,*
- [15] It is not in dispute that the third respondent has been involved in the business of the applicant since 2006, in the capacity as a *de facto* member as well as an employee and also as a family friend.
- [16] The second respondent was involved in the business as the wife of the third respondent, both on a personal level as well as in the business in that she assisted from time to time with certain tasks in the business. Of the applicant.
- [17] The first respondent was involved in the business of the applicant as the applicant outsourced certain work to the first respondent, after the latter introduced was introduced to the applicant by the third respondent with a request that certain work be outsourced to the latter.
- [18] According to the applicant, the third respondent failed to disclose his involvement as well as the involvement of his wife, the second respondent in the first respondent. This caused an urgent application; disciplinary enquiry and ultimately the resignation of the third respondent and eventually the cancellation of the agreement of sale of the membership in the applicant.
- [19] The first respondent did not have its own premises and equipment, and conducted its business on the premises of the applicant. The first respondent eventually left with the third respondent, and all work which was referred to the first respondent stopped.
- [20] The first respondent is a Closed Corporation and as such has legal persona status, although it is managed by its members; shareholders or directors. The second respondent is the only members of the first respondent.
- [21] According to the applicant, during April 2017 it came to its attention that the third respondent, who was an employee of the applicant at that stage, made certain secret profits from the business dealings within the applicant; It further came to the applicant's attention that the third respondent was channelling work to the first respondent, on the basis that he outsourced the work of the applicant, although he failed to mention his interest in the first respondent as well as the fact that his wife was the only member in the third respondent.
- [22] The disciplinary inquiry initiated against the third respondent was scheduled for hearing on the 11 September 2017, however the third respondent tendered his resignation as employee of the applicant, which resignation was accepted by the applicant.

- [23] The first respondent was registered, initially as RD -Profittt during 2011 and its principal description of business was indicated in the CIPC records as "FITMENT". However, on 12 October, more specifically one month after the resignation of the third respondent, the name of the first respondent was changed from RD- PROFITT CC to AUTOFIT FITMENT Centre CC.
- [24] The first respondent, apart from changing its name, but is currently trading in Pretoria under this similar name in a business to that of the applicant., being fitment of accessories to 4 x 4 vehicles as well as towbars products and related products. Apart from changing its name to a similar name to that of the applicant, also adopted logs similar to that of the applicant, as shown in annexure "G". It needs mentioning that the pictures shown on exhibit G one shows "AutoBar " with the words "Fitment Centre" below; as well as "autobarfitment". Co. za while the other pictures shows "Autofit" with the names underneath "sales@ outofit co.za.". Annexure H is the applicant's logo bearing the names "AutoBar" underlined with the words "fitment centre" below.
- [25] According to the applicant, Mr Dirk Treddy was previously involved with the applicant and had shares in the business of the first respondent and is now currently employed by the first respondent.
- [26] The first respondent was always known to and invoiced applicant as RD-PROFITT. The similarities between the corporate logo of the applicant and the first respondent are strikingly similar. The first respondent event adopted a similar font, colour and more specifically the yellow line in the logo which was uniquely designed by the applicant. Long before the first respondent changed its name.
- [27] The applicant further contended that: it has been in existence for more than 40 years, and for the past 25 years traded in its current form and from the current premises; has a magnitude of clients, not only in Pretoria, but also in other regions of South Africa, and is well known for its products as well as fitment of various products to vehicles mentioned herein above; has numerous corporate and business clients, *inter alia*, State departments such as Spoornet, SAPS and Others. ; the applicant has sufficient business reputation amongst a substantial number of persons who are either clients or potential clients of its business.; the name; get-up and mark used by the applicant has become distinctive of the goods and services of the applicant in the sense that the public associate the name in the sense that the public associate the name; getup and logos with the goods of and services of the applicant.; the applicant has a well-established market and reputation in the market and specific area.
- [28] The applicant further contended that the first respondent by adopting the specific name and logo amounts to misrepresentation of association, particularly because the third respondent was an employee of the applicant since 2006 until 11 September 2017 ; since 5 May 2017 the third respondent was actively involved with the applicant and dealt with various clients of the applicant.; the third respondent was well known in the public and has on public platform alleged that he was the owner of the applicant;

- [29] The applicant further contended that the third respondent and the second respondent are married to each other; the second respondent is the only member of the first respondent; has been indirectly involve with the business of the applicant.
- [30] The applicant further contended that there exists a real and definite likelihood of confusion and probable consumer deception, based not only on the similarities of the names, corporate logos of the applicant and the fact that the second and third respondent were associated with the applicant as well as the first respondent. In this regard *vide Pioneer Foods (Pty) Limited v Bothaville Milling (Pty) Limited*⁸; *vide also Discovery Holdings v Sanlam*.⁹
- [31] The applicant further contend that it is likely to suffer damages which cannot be cured by monetary compensation which would be difficult to quantify, as the result of the passing off of the name; logo and corporate identity of the applicant.
- [32] Apart from seeking a restraint interdict on the illegal passing-off; the applicant further seeks an order that the name of the first respondent be changed in the record of the Registrar of Companies in order to avoid confusion and subsequent passing-off. The applicant has also remitted a letter to the respondents' attorneys requesting that they refrain from using the name and logo.
- [33] On perusal of the version of the applicant, the sudden departure of the second respondent followed shortly thereafter by the third respondent, and the name change of the first respondent and the similarities of the names and logo referred to herein above, I am satisfied that the applicant has acquitted itself in showing that there is a reasonable likelihood of the public being confused or deceived as to whether the services provided by the first respondent are those of the applicant or *vice versa* and that the two are associated with each other. This leaves one with a singular conclusion that the respondents were hell-bent to ride on the reputation of the applicant; the potential confusion premised on the similarities of the names, logo and colours of the applicant and that of first respondent; to have a quick start and to do the applicant down to its detriment. In my view, the conduct of the respondents is deplorable and should not be countenanced.
- [34] The respondents, as new comers seeking to ply business in the same sphere of business as the applicant, in my view, had the responsibility to ensure that their outfit, bears no semblance to that of the applicant so as to avert any reasonable likelihood of deception or confusion; *vide Brian Boswell Circus v Boswell-Wilkie Circus*.¹⁰
- [35] It is common cause that Jackolette Fourie and Giovanni Fourie whilst they were in the employ of the applicant were using respectively the following e-mail addresses: jacolette@autofit.co.za and gio@autofit.co.za. They are no longer in the employ of the applicant, and therefore the use of those respective addresses is disingenuous and

⁸ (215/2013) [2014] ZASCA 6 (12 March 2-14 SCA at para [7].

⁹ 2015 (1) SA 365 (WCC) at 388 para [67].

¹⁰ 1985(4) SA 466 (AD) at 484A-E.

calculated in my view, to harvest the applicant's clients, whose particulars are in those e-mail addresses and or who would still contact them believing that the respondents are still with the applicant. The applicant would of course have allowed them to use those e-mail addresses, so long as they were in his employ. In my view they have no business to cling to those e-mail addresses. When they start their own business, they should not retain anything that would still link them to the applicant. If they had done so, I am certain that the present litigation would have been averted.

- [36] In the result I find that the applicant has made a case for the reliefs sought.

AD COUNTER-APPLICATION

- [37] The respondents on the other hand brought a counterclaim.

- [38] The parties are as set out in the main application, with the exception that the third respondent (Giovanni) is not a party to the counter-application. The second respondent in the counter - application is the Registrar for Trademarks and Patents, established by relevant legislation. There is no relief sought against the second respondent, other than an order for costs should the relief sought be opposed.

- [39] The respondents, as applicants in the counter- application seek an order in terms of which the removal of the trade mark of the applicant and that applicant's trade mark registration number 2005/07850 in Class 12 of the register of the second respondent be cancelled and removed.

- [40] According to the first and second applicants in the counter-application, they seek an order directing the Registrar for Trademarks and Patents to remove the mark of the applicant (in so far as it may be registered) from the Register of trademarks since it has (so it is alleged it had no inherent or acquired distinctiveness, neither had it acquired distinctiveness for use. In the alternative, the alleged trade mark of the applicant has become deceptive and or lost its distinctiveness as a result of acts occurring after registration.

- [41] The applicants in the counter-application contend that section 9 of the Trade Marks Act No 194 of 1993 ("the Act") sets out the positive attributes necessary to render a mark registrable, for instance that the trade mark shall be capable of distinguishing the goods or services of a person in respect of which it is registered from the goods or services of a person in respect of which it is registered from the goods of another person either generally or, where the trade mark is registered, in relation to use within those limitations. A trade mark should also be inherently capable of so being distinguished by reason of prior use thereof.

- [42] It is further contended that the applicant's trade mark should not remain in the register of the Registrar in terms of section 10 of the Trade Marks Act, coupled with section 24(1) thereof. It is further contended that the entry of the applicant's trade mark on the register of the registrar was wrongly made (in terms of section 24(1) of the Act since there is nothing that justifies the registration of the name "Autobar Fitment Centre".

within those limitations. A trade mark should also be inherently capable of so being distinguished by reason of prior use thereof.


- [42] It is further contended that the applicant's trade mark should not remain in the register of the Registrar in terms of section 10 of the Trade Marks Act, coupled with section 24(1) thereof. It is further contended that the entry of the applicant's trade mark on the register of the registrar was wrongly made (in terms of section 24(1) of the Act since there is nothing that justifies the registration of the name "Autobar Fitment Centre". "Auto" is an abbreviation for automotive. "Bar" is none else than an abbreviation for a towbar, roll bar or bull bar."
- [43] It needs mentioning that in terms of section 9 of the Trade Mark Act, a trade mark to be registrable "(1) ... shall be capable of distinguishing the goods or service of a person in respect of which it is registered or proposed to be registered from the goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.
- (2) A mark shall be considered to be capable of distinguishing within the meaning of subsection (1) if, at the date of application for registration, it is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof." The registration of the applicant's trade mark is *prima facie* valid; vide *Discovery Holdings v Sanlam*¹¹.
- [44] Section 10 of the act provides various ranges upon which a trade mark would not be registrable. The respondents have not specifically referred the court to any particular subsection of section 10 upon which reliance for the expungement is made. The court is left to second guess, which should not be the case and must not be countenanced. Besides, the respondents have failed to place evidence before this court demonstrating that at the date of registration of the applicant's trade mark, it was not compliant with s9.
- [45] Section 27 of trade mark deals with removal of a trade mark on ground of non-use. *In casu*, it is not the contention of the respondents that the trade mark of the applicant is not being used. Therefore reliance on section 27 is flawed.
- [46] From the papers it does not seem that the respondents served their counterclaim upon the Registrar of Trades. As they allege that the applicant's trade mark was wrongly registered, they were in my view duty bound to serve the counter-application on the Registrar, to afford the latter an opportunity to decide whether it concedes that, in registering the applicant's trade mark, it wrongly or capriciously exercised its administrative discretion. Absent service of the counter-application on the Registrar, in my view, the counter-application must fail.
- [47] It is trite that costs follow the event. *In casu* the agreement concluded by the parties provided that attorney and client costs are to be paid by the respondents. In my view,

¹¹ *Supra* at 392 E.

it is fair that *in casu* the respondents should be ordered to pay attorney and client costs

[48] In the result the following order is made:

1. That the first respondent; second respondent and third respondent are interdicted from using the name AUTOFIT FITMENT CENTRE;
2. That the first respondent; second respondent and third respondent are interdicted from using the logo depicting AUTOFIT FITMENT CENTRE as referred to in the application;
3. That the first respondent is hereby ordered to apply for the change of its name with the Registrar of Companies in the record of CIPC from AUTOFIT FITMENT CENTRE, to any name that is not similar to or that may create a confusion with the name of the Applicant;
4. That should the Respondents fail to adhere to the above mentioned order within 14 (fourteen) days from date of the order, that the Applicant may approach the Court on the same papers for alternative relief and or contempt of court;
5. That the counter application is dismissed;
6. That the respondents are jointly and severally, the one paying the other to be absolved, ordered to pay the applicant's:
 - (a) costs of the application under case number, inclusive the costs in respect of rule 30 application;
 - (b) costs of the counter application under case;
 - (c) such costs to be paid on attorney and client scale.


N.M. MAVUNDLA
JUDGE OF THE HIGH COURT

DATE OF JUDGMENT : 11 / 01 / 2019

APPLICANT'S ADV : ADV EUGENE JANSE van RENSBURG

INSTRUCTED BY : HAMEL ATTORNEYS

RESPONDENTS' ADV : ADV FRANCOIS STRYDOM

INSTRUCTED BY : STRYDOM & BREDEKAMP INC.