

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

CASE NO: 050755/2022

(1) REPORTABLE: **NO**

(2) OF INTEREST TO OTHER JUDGES: **NO**

(3) REVISED: **YES**

DATE: 8 AUGUST 2024

SIGNATURE

In the matter between:

LA GROUP (PTY) LTD

Applicant

and

GLENCAROL (PTY) LTD

Respondent

ORDER

1. The respondent is restrained from infringing the rights of the applicant in its trade mark registrations nos. 1988/08915 Pony device and 2010/05609 Pony device, both in class 25, in terms of the provisions of sections 34 (1)(a) and/or 34 (1)(c) of the Trade Marks Act 194 of 1993 by using, in the course of trade, a Horse device as depicted in paragraphs 1.4 and 2.6 and in annexures 19.1, 19.3 and 19.4 of the founding affidavit of Rae James, in relation to socks or other items of clothing, or by using any other trade mark which is confusingly or deceptively similar to the applicant's aforesaid device trademarks.

2. The respondent is restrained from passing off its socks as those of, or as being connected or associated with the applicant, its Pony device trademarks and/or its socks by using upon or in relation to the respondent's socks, in any form or manner of application, a Horse device as depicted in paragraphs 1.4 and 2.6 and in annexures 19.1, 19.3 and 19.4 of the founding affidavit of Rae James or by using any other trade mark or get-up which is likely to cause confusion or deception in relation to the applicant, its sock and/or Pony device trademarks.
3. The respondent is directed to deliver up to the applicant for destruction all socks having permanently applied to them (by embroidering or otherwise) the respondent's Horse and Rider device, and all printed matter including labelling or packaging to which the aforesaid trademark has been applied, and which may be separated from its socks, in its possession or under its control or that of any of its agents.
4. The respondent is ordered to pay the applicant's costs of suit, including the costs of two counsel of which one is a senior-junior and the other a junior counsel, to be taxed in accordance with Scale C.

JUDGMENT

NEUKIRCHER J:

1] The applicant is the proprietor of, in particular, two registered POLO device trade marks¹ as follows:

¹ In class 25, the first diagram being registration no 1988/08915 for goods: "*Clothing, including boots, shoes and slippers; parts and accessories for the foregoing*"; and the second diagram being registration no 2010/05609 for goods: "*Clothing, footwear, headgear*".



DIAGRAM 1



DIAGRAM 2

2] They were described in *LA Group (Pty) Ltd v Stable Brands (Pty) Ltd and Another*² as “pictorial devices of single polo players each astride a pony engaged in play (SINGLE POLO PLAYER devices)”.³

3] The respondent is the proprietor of the MARK ANTHONY word mark. This mark was registered with effect from 12 June 1997, in class 25 in relation to “clothing, footwear, headgear”. On 11 November 2011 under Trade Mark Application No. 2021/34678 in class 25 in relation to “clothing, footwear, headgear”, the respondent applied for registration of its device, called “the RACER AND HORSE DEVICE”. The device depicts a jockey sitting on a horse in full gallop, as depicted below:^{4 5}



² 2022 (4) SA 448 (SCA) para [88]

³ In this judgment referred to as the applicant's mark or the applicant's device

⁴ The registration of the respondent's device is opposed by the applicant

⁵ In this judgment referred to as the respondent's mark or the respondent's device

4] Thus, when viewed side-by-side, the 3 devices appear as follows:



5] It is common cause that the article of clothing which informs the present application is socks and thus the device when applied to this article of clothing is very small.

6] It is also not disputed that the respondent's products swing tag depicts a get-up used by the respondent in relation to its socks and is depicted thus:



7] In sum, the respondent's get-up includes the word MARK ANTHONY as well as the RACER AND HORSE DEVICE.

8] The applicant seeks to interdict the respondent from infringing its two trade marks and seeks further trade mark infringement relief. It bases its application on s34(1)(a) and s34(1)(c) of the Trade Marks Act 194 of 1993 (the Act). It also claims relief founded on passing off, but this leg of the inquiry was not fully argued before me, and the papers do not devote more than a cursory argument to this ground. In the main, the applicant's argument centred on s34(1)(a) and s34(1)(c) of the Act.

9] These provisions state the following:

“34(1) The rights acquired by registration of a trade mark shall be infringed by-

- (a) the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;
- (b) *...
- (c) the unauthorized use in the course of trade in relation to any goods or 20 services of a mark which is identical or similar to a trade mark registered, if such trade mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception: Provided that the provisions of this paragraph shall not apply to a trade mark referred to in section 70(2)...

10] In *Gulf Oil Corporation v Rembrandt Fabrikante & Handelaars (Edms) Bpk*⁶, Trollip J said

⁶ 1963 (2) SA 10 (T) at 24D-E

“...the system of registering trade marks is designed to protect, facilitate and further the trading in the particular goods in respect of which the trade mark is registered. The very name, 'trade mark', connotes that, and the definition thereof in sec. 96 of the Act confirms it. I would therefore say that 'bona fide user' in sec. 136 means a use by the proprietor of his registered trade mark in connection with the particular goods in respect of which it is registered with the object or intention primarily of protecting, facilitating, and furthering his trading in such goods, and not for some other, ulterior object.”

11] In *Yuppiechef Holdings (Pty) Ltd v Yuppie Gadgets Holdings (Pty)Ltd*⁷, the court added that the trademark the statutory system of trademark protection

“...serves as a badge of origin of the goods or services to which it is applied. The reference to a badge of origin is directed at the original source of the goods or services, not the mechanism through which they were acquired. Thus, to say that one bought a pair of shoes at A&D Spitz or some other well-known shoe store merely identifies the shop where the goods were purchased and not their origin. The shoes in question will in turn bear a trademark, such as Carvela or Kurt Geiger or Jimmy Choo. Those are the marks that indicate their origin. The mark A&D Spitz identifies the shop and not the goods that can be purchased there.”

12] With this background in mind, this leads me to the test to be applied in respect of the two provisions of the Act upon which the applicant relies to found its relief.

Section 34(1)(a) of the Act

13] The test to be applied in respect of an infringement in terms of s34(1)(a) is set out in *Plascon-Evans Paints (Pty) Ltd v Van Riebeek Paints (Pty) Ltd*⁸ as:

“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to

⁷ (1088/2015) [2016] ZASCA 118 (15 September 2016)) para 13

⁸ 1984 (3) SA 623 (A) at 640 - 641

show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, i.e. the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.

The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as for example, the use of name marks in conjunction with a generic description of the goods."

14] In *Société De Produits Nestlé SA & Another v International Foodstuffs Co and Others*⁹ (the *Nestlé* judgment) it was stated that:

“...if the comparison is to be made objectively and through the eyes of the ordinary consumer, the interpretation of the trademark allegedly infringed must be conducted in the same manner. Consequently, the subjective intention of the applicant for the mark...is irrelevant.”

15] In considering whether there is a likelihood of deception or confusion, the court is required to exercise a value judgment on the question of the likelihood of deception or confusion

“... based on a global appreciation of the two marks and the overall impression they leave in the context of the underlying purposes of a trade mark, which is that it is a badge of origin. The value judgment is a largely a matter of first impression and there should not be undue peering at the two marks to find similarities and differences. It is nonetheless not sufficient for judges merely to say that their impression is that the alleged mark is, or is not, likely to cause confusion or deception. There is an obligation to explain why the judge holds that view.”¹⁰

16] The likelihood of confusion is established if the two marks in question are “confusing only for a short time, sufficient to attract initial interest, albeit that the confusion might later be cleared up.”¹¹

Section 34(1)(c) of the Act

17] The test in regards of s34(1)(c) is however, different as s34(1)(c)

⁹ (100/2014) [2014] ZASCA 187 (27 November 2014); [2015] 1 All SA 492 (SCA) para 12 (Nestlé SA)

¹⁰ *Yuppiechef Holdings* supra para 26

¹¹ *Orange Brand Services Ltd v Account Works Software (Pty) Ltd* (970/12) [2013] ZASCA 158 (22 November 2013) par 13

“aims to protect the commercial value that attaches to the reputation of a trade mark, rather than its capacity to distinguish the goods or services of the proprietor from those of others.”¹²

Thus, the nature of the goods and services in relation to which the offending mark is used is immaterial, and it is also immaterial that the offending mark does not confuse or deceive.

18] In the *Nestlé* judgment, the court stated:

“[51] The protection of s34(1)(c) extends beyond the primary function of a trademark which is to signify the origin of goods or services. It strives to protect the unique identity and reputation of a registered trademark which sells the goods. Its object is to avoid ‘blurring’ and ‘tarnishment’ of the trademark.”¹³

[52] The advantage or detriment complained of must be of sufficiently significant degree to restrain the use of the trademark, The court must be satisfied by evidence of actual detriment, or of unfair advantage, but depending on the primary facts, these may be self-evident...”¹⁴

19] Thus, the applicant must establish:

- (a) the unauthorised use of the mark;
- (b) in the course of trade;
- (c) in relation to any goods or services;

¹² *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA) para 11

¹³ *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (SCA) (*Laugh It Off Promotions*); *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) para 41

¹⁴ *Verimark (Pty) Ltd v Bayerische Motorenwerke Aktiengesellschaft; Bayerische Motorenwerke Aktiengesellschaft v Verimark (Pty) Ltd* 2007 (6) SA 263 (SCA) para 5

- (d) the mark must be identical or similar to the registered trade mark;
- (e) the trade mark must be well known in the Republic;
- (f) that the use of the respondent's mark would be likely to take unfair advantage of, or be detrimental to the distinctive character or the repute of the registered trade mark.¹⁵

Background

The applicant's device

20] L'Uomo (Pty) Ltd was formed in January 1976. It was established to manufacture men's shirts for the top end of the market under the POLO trade mark and POLO Pony device. L'Uomo was acquired by the applicant in 1988 for approximately R29 million. It is a manufacturer, distributor and retailer of a wide range of clothing, including socks. The applicant's device trade marks are used on its goods and are used both alone, or with the POLO word trade mark and the latter is also used alone.

21] The evidence adduced by the applicant as to its background, distinctiveness, goodwill and reputation informs its case that the POLO mark has earned, and still enjoys, an immense goodwill and reputation and that the POLO trade marks have become firmly established in South Africa for more than 40 years. This, it states is because:

- a) the applicant has made significant financial investments, established numerous stores and set up a considerable wholesale and retail infrastructure in its promotion and use of its marks. It has spent some R98,9 on advertising between 2006 and 2022. In 2021/2022 an amount of R9,8 million was spent;
- b) over R1,2 billion has been generated in sales alone over the past three years;

¹⁵ Laugh It Off Promotions supra also at para 34

c) the applicant's marks and devices have been firmly established in the South African marketplace as indicators of origin since approximately 1976, and "[t]he general public or a wide segment thereof, more specifically consumers who buy clothing, footwear, bags, and the like, would identify goods bearing the POLO trademarks as originating from the [applicant]. It has thus established that its trademarks have in fact become distinctive through their use."¹⁶

22] The allegations made by the applicant are not made in vacuo – they find their substance in the information put before this court as regards its rigorous and intensive marketing strategy which includes advertising campaigns in magazines, newspapers, on social media platforms, on television and in its branded stores and other retail stores. In *LA Group*, Schippers JA comprehensively set out the background that informed the applicant's case which has been repeated in the papers before me¹⁷:

"[110] The appellant adduced evidence that its POLO (word) trade mark had been used continuously for a long time since its registration in 1976 – more than 40 years at the time when the counter-application was heard. The appellant's predecessor in title, L'Uomo (Pty) Ltd was formed in January 1976 by Mr Ronald Lange, Mr Gordon Joffe and Mr Freddy Barnett. The company was established to manufacture men's shirts for the top end of the market. Mr Joffe, who recently passed away, was one of South Africa's experts in fabric selection and designing men's shirts, and was appointed as the managing director. The shirts were marketed and branded with the mark POLO and the POLO PONY device depicted in registration nos. 1976/00659 and 1978/01082.

[111] The appellant annexed a newspaper article in May 1976 showing the early popularity of the POLO trade marks amongst consumers of goods bearing the mark. From May 1978 an average of 1000 shirts branded with the

¹⁶ *LA Group* para 118

¹⁷ *LA Group* paras 110 to 117

POLO trade marks were sold in a day and POLO shirts became the most sought-after garment in the marketplace. The appellant has more than 340 retail customers who have in excess of 600 stores across South Africa, at which goods branded with its POLO and POLO PONY & PLAYER device trade marks have been sold. These include stores in all the provinces of South Africa – Gauteng, Eastern Cape, Limpopo, North West, Western Cape, KwaZulu-Natal, Free State, Mpumalanga and the Northern Cape. As far back as 1988 Edgars has been selling goods with the POLO and POLO PONY & PLAYER device trade marks. There are some 106 John Craig stores that sell goods bearing the POLO and POLO PONY & PLAYER device marks. These marks have been used on a wide variety of goods such as sportswear, casualwear, corporate wear, footwear, bags, luggage, sunglasses and home textile goods.

[112] The appellant's POLO stand-alone stores are located in major shopping malls in the country, namely Sandton City, Eastgate Mall in Johannesburg, Menlyn Shopping Centre in Pretoria and the V&A Waterfront in Cape Town¹⁸. It provided statistics which showed that between March 2013 and February 2014 a total number of 250 200 people visited these stores. During 2011 and 2012 goods bearing the POLO trade marks were advertised on billboards situated on roads that carry high volumes of traffic¹⁹. These advertisements were viewed almost 300 000 times a day over a 90-day period.

[113] Through the use of its POLO and POLO PONY & PLAYER device trade marks the appellant has generated net sales in excess of R1.2 billion only between 2012 and 2015. The appellant and its permitted users

¹⁸ It presently owns 19 brand stand-alone retail outlets and the retail figures for 2021/2022 amount to R205 million

¹⁹ The applicant's advertising including displays on billboards, for example:

- on the M1 North and N1 North highways in Gauteng and on Sandton Drive – all of which carry higher volumes of traffic
- In November and December 2019 on a digital billboard displayed alongside William Nicol Drive (now Winnie Mandela Drive)
- During March 2020 and October 2021, POLO branded goods were advertised and promoted on billboards displayed along Greyston Drive in Sandton, Menlyn Shopping Centre in Pretoria, Ballyclare Drive in Bryanston and Cresta Mall in Johannesburg.

generated net sales in excess of R300 million per annum from goods bearing these marks for every financial year since 2012. In the 2017 and 2018 financial years the net sales figures increased to more than R400 million per annum. These sales figures alone show that the appellant's goods sold under the POLO trade marks have become well-known and popular amongst South African consumers. Moreover, the appellant's advertising expenditure in promoting its POLO and POLO PONY & PLAYER device trade marks between 2007 and 2018 was substantial: approximately R62.5 million.

[114] In 1997 the appellant custom-designed and manufactured POLO shirts for the late former President Nelson Mandela. The evidence in this regard is a photograph with the inscription 'Shirts for an Icon', which depicts President Mandela, the appellant's director, Mr Joffe, and the two ladies who made the shirts. Also part of the evidence is an article published in the *Cape Times* newspaper on 26 August 1997, describing how the appellant had specially manufactured a shirt for President Mandela which became known as the Olympic Shirt, worn by the President when the City of Cape Town launched its bid to host the Olympic games in 2004, and how it came about that the appellant started making shirts for the President. The publicity the appellant got from this event, publicised to the entire nation, was immeasurable: it was marketing gold. There is no doubt that the overwhelming majority of people in the country would have identified the Olympic Shirt and with it the POLO trade mark, as emanating from the appellant.

[115] The appellant presented evidence proving the use of its trade marks on social media and other advertising media. Between 1 April 2017 and 31 March 2018 the appellant had 151424 unique visits to its internet website w[...], which is just over 12000 people per month on average²⁰. The appellant provided more than 40 examples of the widespread advertising of its POLO branded goods in magazines dating back to 1981, including GQ, Men's Health, Living and Loving, Golf Digest and Edgars Club magazines.

²⁰ This grew to 332 426 between December 2021 and 29 March 2022

[116] The appellant also advertised its POLO branded goods through the sponsorship of various public events that reached a wide segment of the population, such as the Western Province Rugby Team in 1983, the South African Polo team in 2005, the POLO Africa Cup event in 2006 (4500 people attended this event over a three-day period) and the Cape Town International Jazz Festival in 2010, 2011 and 2012. The latter event, widely covered online and by the print and broadcast media, was attended by some 33500 people from all parts of the country in 2010 and 2011, respectively. The appellant sponsored the South African Rugby team (the Springboks) during the 1999 Rugby World Cup. The shirts, suits and ties worn by the team were custom made by the appellant. It annexed a newspaper article published in *Die Burger* newspaper of 6 September 1999, containing a photograph of Mr Joffe and the clothing branded with its trade marks. The article stated that the appellant had sponsored all the clothing that the Springboks would wear when they did not play rugby. Virtually the entire country followed the Rugby World Cup in 1999 and the majority of people would have identified the POLO trade marks with the appellant's goods.

[117] The appellant has also participated in other promotional and social responsibility activities in which the POLO trade marks featured, that were widely publicised and reached a significant part of the population. These were the Pink Pony campaigns in 2011 to 2013 to raise awareness of breast cancer and funds for the Cancer Association of South Africa. The well-known Springbok rugby player, the late Mr Chester Williams, and Ms Leanne Manas, the presenter of *Morning Live*, a national television breakfast show, were POLO brand ambassadors. The appellant also sponsors the clothing worn by the presenters of the 'Toks and Tjops' television show, screened on 'Kyknet' and 'SuperSport 1' channels on the DStv pay-channel."

23] According to the applicant, the wholesale sales figures of the applicant's goods in class 25 (apparel and footwear) between 2006 and 2022 amount to over R2,4 billion and in the 2021/2022 financial year equate to some R440 million. The sale of the applicant's socks alone equates to almost R20,9 million for the period 2013 to 2022, and in 2021/2022 financial year to R2,8 million alone. In 2019/2020

the sales of the applicant's socks of R2,3 million translated to the sale of 178 336 pairs of socks. Over the license period, considerably more than a million pairs of these socks were made and sold.

24] The applicant also offers its goods for sale on its website. Since November 2018, its online sales have increased by 600 percent. In addition to the website, the applicant uses other social media platforms to sell and promote its goods, such as Facebook and Instagram:

a) it has more than 136 000 "likes" on Facebook – up from 53 000 in April 2019;

b) it has 59 000 Instagram followers – up from 12 000 in April 2019.

25] The applicant's own social media presence does not take into account the advertisements placed on other websites such as GQ, Glamour (both magazines) and wantedonline.

26] Thus, says the applicant, it has created a strong reputational link and association between it, its trade marks and its products and services.

27] The respondent takes issue with the above statement. It argues that the majority of the evidence that has been attached in respect of the applicant's alleged amounts to hearsay evidence, which is inadmissible and does not justify the conclusion that the Applicant's device is well-known. It argues that, in any event, evidence of use is not necessarily proof of reputation.

28] Interestingly, the respondent offers not one shred of cogent evidence to demonstrate that the applicant's device and mark is not well-known in the market or that they have become distinctive in their use. Their denial of this fact, and the obiter in the *LA Group* majority judgment, simply does it no service. This is especially so in light of the fact that the evidence on behalf of the applicant is put up by Mr Rae James, who has been the applicant's Group Legal Adviser since 2006 and who states that the facts fall within his personal knowledge, that certain of the facts have

been extracted from “*properly kept and continuous records of the applicant, which are under my control and its licensees*” and he also refers to the confirmatory affidavits of applicant’s employees.

29] Thus, the denial is no more than attempted obfuscation of the facts of this matter. In any event, in *The Public Protector v Mail & Guardian Limited and Others*²¹ the minority court stated:

“ . . . Courts will generally not rely upon reported statements by persons who do not give evidence (hearsay) for the truth of their contents. Because that is not acceptable evidence upon which the court will rely for factual findings, such statements are not admissible in trial proceedings and are liable to be struck out from affidavits in application proceedings. But there are cases in which the relevance of the statement lies in the fact that it was made, irrespective of the truth of the statement. In those cases the statement is not hearsay and is admissible to prove the fact that it was made. In this case many such reported statements, mainly in documents, have been placed before us. What is relevant to this case is that the document exists or that the statement was made and for that purpose those documents and statements are admissible evidence.”

30] However, the respondent has had ample opportunity to properly refute the allegations set out in the *LA Group* judgment which are repeated and amplified in this application – it has wholly failed to do so.

The respondent’s device

31] The respondent’s predecessor was a company known as Glenmar, It was established in 1954 by the Hack family. It was then bought and taken over by the producers and manufacturers of Jockey South Africa. In 2007, Glenmar was sold and split into two companies²² by the current shareholders of the respondent. In 2010 the two companies then merged.

²¹ *The Public Protector v Mail & Guardian and Others* [2011] ZASCA 108; 2011 (4) SA 420 (SCA) para 14.

²² Being Glencarol (Pty) Ltd and Martilon (Pty) Ltd

32] According to the respondent, it is the largest sock producer in Southern Africa and it specialises in manufacturing fashion, sport, technical, workwear and industrial socks which it supplies to both independent and larger retailers. It manufactures socks for numerous well-known brands such as Jockey, O'Ne Sport, Bioguard and Foot Fresh.

33] The respondent is also the proprietor of the MARK ANTHONY trade mark which is a word mark. Until September 2021, it was the applicant's appointed licensee and distributor in relation to socks. Shortly after its contract with the applicant ended in September 2021, it decided to "modernise" its MARK ANTHONY BRAND. Whilst the original idea was to adopt a logo featuring an Italian warrior on a horse, it was ultimately decided to adopt a "more modern design in line with international trends and in order to reach a wider market". Thus it was decided to adopt a RACER AND HORSE DEVICE based on its shareholder and director's²³ love of horse-racing.

34] Thus, the device pictured in Diagram 1 became the device pictured in Diagram 2 below



Diagram 1

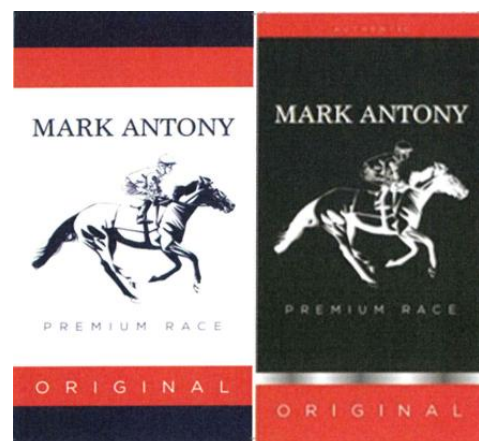


Diagram 2

35] The respondent's case is, inter alia, that the applicant's device and its device do not resemble each other and are therefore not likely to either deceive or cause

²³ One Mr Towell. According to respondent, Mr Towell owns award winning racehorses and sponsors numerous horse racing events

confusion²⁴ and that its device does not take unfair advantage of and is not detrimental to the distinctive character of the applicant's device²⁵.

36] To be specific:

- a) the applicant's PONY device depicts a pony or horse in motion, galloping to the right, with a rider wearing a cap or helmet. It also features the rider holding a polo mallet in the air;
- b) the respondent's device features a crouched jockey on a horse stretched in full gallop.

37] The respondent's case is that one cannot claim simply that because the device depicts or incorporates a horse and rider feature that it is similar and therefore the objectives of s34(1)(a) or s34(1)(c) are achieved by that fact alone. This, it argues, will allow the applicant to enforce a monopoly over every depiction of a horse and/or horse and rider.

38] Furthermore, it argues that there are a number of horse devices, some of which feature riders, used by other brands in Class 25, depicted below:

²⁴ Section 34(1)(a)

²⁵ Section 34(1)(c)



39] It thus argues that all of these horse devices, some of which feature riders, are demonstrative of the varied application of such device in class 25 in the retail sphere, It argues that the applicant is attempting to create “unjustified monopolies in common words or devices that have become common in the trade.”

40] But in my view, all the trade marks set out in paragraph 38 supra, are markedly different from that of the applicant: most include distinctive and dominant word marks such as “Levi Strauss & Co”, “Longchamp”, “Coach”; and in others, the horse and rider are markedly different to the applicant’s device²⁶ and can therefore be ignored²⁷. In respect of the U.S. POLO ASSN device, the applicant has launched a challenge.

²⁶ Such as the BURBERRY mark which depicts a thickset horse carrying a knight in armour with a lance standard and shield and which includes a dominant word mark

²⁷ Such as FOUGANZA which is purely aesthetic decoration and not trade mark use

41] What lends further credence to the applicant's case is the argument that there is confusion or deception in the market: on 12 October 2022, Mr Guldenpfennig²⁸ visited PK Outfitters in Fordsburg. He asked for polka dotted POLO socks. The sales assistant gave him polka dotted socks manufactured by the respondent and insisted that they were POLO socks.

42] Two points arise from this:

- a) firstly, given that the device marks are not enunciated, there is no aural comparison to be made to further remove any deception or confusion – thus the deception or confusion arise from the visual and conceptual differences between the applicant's and the respondent's devices;
- b) secondly, proof of actual confusion is not a requirement in order to prove the likelihood of deception or confusion²⁹, but evidence of this may well go a long way to assisting the applicant in proving its case.

43] In *Adidas* the SCA confirmed the following:

“[22] It must be borne in mind that the question of the likelihood of confusion or deception is a matter of first impression and that ‘one should not peer too closely at the registered mark and the alleged infringement to find similarities or differences’. The court must not consider the question of deception or confusion as if the purchaser of the goods will have had the opportunity of carefully considering the marks and even comparing them side by side. They must look at the marks as they will be seen in the marketplace and take into account a notional purchaser: ‘a person of average intelligence, and proper eyesight, buying with ordinary caution’.”

44] In this matter, the applicant alleges that its marks are globally and locally well-known, distinctive and have acquired significant reputation in the market. But this

²⁸ The brand protection manager of Skye Distribution (Pty)Ltd which is a wholly owned subsidiary of the applicant

²⁹ *Adidas AG and Another v Pepkor Retail Ltd* (187/12) [2013] ZASCA 3 (28 February 2013) (Adidas AG)

does not mean that because of this, purchasers will automatically be able to distinguish it from its competitors as:

“[24] In my view, the fact that the first appellant’s three stripe trademarks are famous, does not justify a finding that there is no likelihood of deception or confusion because purchasers of the goods will see immediately that the respondent’s marks are not the first appellant’s trademarks. In my view the contrary is true. The more distinctive the trademark is, or the greater its reputation, the greater the likelihood that there will be deception or confusion where a similar mark is used on competing products. Purchasers who are used to seeing the first appellant’s trademarks will still experience imperfect perception or imperfect recollection and will be far more likely to conclude that the similar mark is the first appellant’s trademark or is associated with the first appellant’s trademark and consequently that the competing products come from the same source. That is clearly the position in other jurisdictions where the law is comparable with ours.”³⁰

45] And at paragraph 26 of *Adidas AG*, the SCA stated:

“...As already pointed out the likelihood of deception or confusion is increased by the distinctiveness or reputation which the registered trade marks have.”

46] The respondent seeks to brush off the incident with Mr Guldenpfennig by stating:

- a) Mr Guldenpfennig specifically asked for socks with large polka dots, declined socks with small polka dots and he does not state whether the applicant actually manufactures socks with large polka dots;
- b) he was handed socks with large polka dots which had the respondent’s horse device applied to them;

³⁰ *Adidas AG supra*

- c) he failed to attach a photograph of the socks he was given by the store clerk.

47] But Mr Guldenpfennig states that the sales assistant “*pointed to the Horse device on the socks and said to me that they were POLO socks, just of a slightly different design...*” In my view, and in light of this evidence, the respondent’s defence is contrived. Furthermore, the respondent fails to adduce any evidence of its own either that the store in question does not stock the socks allegedly given to Mr Guldenpfennig, or by conducting a similar experiment of its own. There is thus no true dispute of fact on this issue. Insofar as Mr Guldenpfennig has provided a comprehensive confirmatory affidavit explaining what transpired, it cannot be said that this evidence is hearsay or insufficient.

48] The respondent has conceded that the similarity between its device and that of the applicant is the HORSE AND RIDER component of the two devices but that, it argues, is where the similarity ends. It also argues, that in addition to the differences pointed out in paragraph 36 supra:

- a) the applicant’s device depicts a trotting horse, depicted from an angular front view, with a polo player rider sitting in an upright position holding a mallet. Conceptually, the applicant’s device connotes the sport of polo;
- b) the respondent’s device depicts a full side view of a horse stretched in full gallop with a jockey in a crouched position. Its device thus connotes horseracing.

Thus, says respondent, the two devices connote two very different activities³¹ that are sufficient to differentiate them. Even if that is insufficient, It argues, then the small differences in each device would be sufficient to avoid a finding of similarity and resemblance.

³¹ Which the respondent argues connote two distinctly different activities: one is a purely sporting activity and the other a commercial (either for profit/gambling) activity

49] But the devices, viewed through the eyes of the ordinary consumer would be perceived as a rider on a horse and it would connote a sporting event. The concept of the event being a sporting activity versus a commercial activity would also be lost on the notional ordinary consumer. Whether the horse is viewed at a gallop or trot, or whether the rider is seated or crouched over the horse is not sufficient, in my view, to distinguish between the marks as the notional ordinary consumer would focus on the horse and rider element of each device initially, and that would be sufficient to cause the initial confusion, even if that confusion is cleared up later. As stated in *Adidas* “...the more distinctive the trade mark is, or the greater its reputation, the greater the likelihood that there will be deception or confusion where a similar mark is used on competing products.” Added to this is the element of “imperfect perception” or “imperfect recollection” and the likelihood of deception or confusion becomes greater especially as there is no aural element to these devices which may have assisted a consumer in clarifying any immediate confusion.

50] I am therefore of the view that the applicant has succeeded in proving the elements necessary to found the relief in terms of s34(1)(a) of the Act, and the application must succeed.

51] But even if I am wrong on the s34(1)(a) relief, in my view there is sufficient to found relief under s34(1)(c). I have already set out the test *supra*. Under this test, the nature of the goods or services in relation to which the offending mark is used, is immaterial, and it is also immaterial that the offending mark does not confuse or deceive. The *Nestlé* judgment provides that the advantage or detriment complained of must be sufficiently significant degree and the court must be satisfied by evidence of actual detriment, or of unfair advantage which, depending on the facts, may be self-evident.

52] It is clear from the facts set out *supra* that the applicant’s mark is well-known in South Africa and enjoys an immense reputation and goodwill. It is also clear from the financial information provided by the applicant that the applicant’s marks are of substantial economic and commercial value because they generate future sales of the applicant’s goods. As a result of this, the applicant argues that blurring or

tarnishing of its marks will dilute their commercial value and have a significant financial and reputational impact on its business.

53] The parties are direct commercial competitors. Their goods compete in the market in the same class. The evidence of Mr Guldenpfennig cannot be either understated or ignored. Given what occurred, the point is that it is clear that the respondent would significantly benefit in the consumer's association of its goods with the applicants given the distinctive character and repute of the applicant's marks and device. This association, would therefore result in the loss or diminishment of advertising value and selling power of the applicant's marks and the resultant enhancement of the respondent's.

54] In *National Brands Limited v Cape Cookies CC and Another*³² the court stated:

“National Brands submitted that Cape Cookies would be likely to take unfair advantage of ‘the power of attraction, the prestige and repute’ of the SALTICRAX mark. It submitted with some force that this had been built up over a considerable period and with a considerable investment of money. Cape Cookies chose to go into direct competition with it. The use of the similar mark will enable Cape Cookies to ‘ride on the coat tails’ of National Brands as regards the well-established SALTICRAX mark without itself having to expend time and money to achieve an equally competitive position. It was submitted that this was why Cape Cookies chose a mark similar to SALTICRAX as opposed to a different mark under which it could have traded without that advantage.”

55] I am of the view that these words apply equally to the facts of this matter.

56] Thus, irrespective of whether the case is made out under the provisions of s34(1)(a) or s34(1)(c), the applicant is entitled to the relief sought in the Notice of Motion.

³² (309/2022; 567/2022) [2023] ZASCA 93 (12 June 2023) para 40

57] There is no reason why costs should not follow the result, including costs of two counsel. Both parties are represented by two counsel. The matter is also complex and the issues of great importance to both parties. I am therefore of the view that costs on Scale C are justified.

ORDER

58] The order is the following:

1. The respondent is restrained from infringing the rights of the applicant in its trade mark registrations nos. 1988/08915 Pony device and 2010/05609 Pony device, both in class 25, in terms of the provisions of sections 34 (1)(a) and/or 34 (1)(c) of the Trade Marks Act 1994 of 1993 by using, in the course of trade, a Horse device as depicted in paragraphs 1.4 and 2.6 and in annexures 19.1, 19.3 and 19.4 of the founding affidavit of Rae James, in relation to socks or other items of clothing, or by using any other trade mark which is confusingly or deceptively similar to the applicant's aforesaid device trademarks.
2. The respondent is restrained from passing off its socks as those of, or as being connected or associated with the applicant, its Pony device trademarks and/or its socks by using upon or in relation to the respondent's socks, in any form or manner of application, a Horse device as depicted in paragraphs 1.4 and 2.6 and in annexures 19.1, 19.3 and 19.4 of the founding affidavit of Rae James or by using any other trade mark or get-up which is likely to cause confusion or deception in relation to the applicant, its sock and/or Pony device trademarks.
3. The respondent is directed to deliver up to the applicant for destruction all socks having permanently applied to them (by embroidering or otherwise) the respondent's Horse and Rider device, and all printed matter including labelling or packaging to which the aforesaid trademark has been applied, and which may be separated from its socks, in its possession or under its control or that of any of its agents.

4. The respondent is ordered to pay the applicant's costs of suit, including the costs of two counsel of which one is a senior-junior and the other a junior counsel, to be taxed in accordance with Scale C.

NEUKIRCHER J
JUDGE OF THE HIGH COURT
GAUTENG DIVISION, PRETORIA

Delivered: This judgment was prepared and authored by the Judge whose name is reflected and is handed down electronically by circulation to the parties/their legal representatives by email and by uploading it to the electronic file of this matter on CaseLines. The date for hand-down is deemed to be 8 August 2024.

Appearances

For the applicant	:	Adv G Marriot with Adv G Khumalo
Instructed by	:	Mike Du Toit Attorneys
For the respondent	:	Adv AJ Bester SC with Adv H Worthington
Instructed by	:	Fasken Attorneys

Matter heard on	:	11 March 2024
Judgment date	:	8 August 2024