



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA
MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

Date: 26 May 2022

Status: Immediate

The following summary is for the benefit of the media in the reporting of this case and does not form part of the judgments of the Supreme Court of Appeal

Open Horizon Ltd v Carnilinx (Pty) Ltd (Case no 225/2021) [2022] ZASCA 75 (26 May 2022)

Today the Supreme Court of Appeal (SCA) delivered a judgment dismissing, with costs, including the costs of two counsel, an appeal against a decision of the Gauteng Division of the High Court of South Africa, Pretoria (the high court).

The appellant, Open Horizon Ltd, had sought an order interdicting and restraining the respondent, Carnilinx (Pty) Ltd, from infringing its PACIFIC trade marks in terms of s 34(1)(a) of the Trade Marks Act 194 of 1993 (the Act). The appellant also sought an additional prayer based on unlawful competition.

The dispute, insofar as it related to section 34(1)(a) Act, was confined to whether the respondent's ATLANTIC marks so nearly resembled the appellant's registered trade marks as to likely deceive or cause confusion.

The appellant's case, in short, was that the respondent was not entitled to use the ATLANTIC mark, which happened to be the name of an ocean, because it might conjure up the same idea as the appellant's registered trade mark, PACIFIC, which also happened to be the name of another ocean.

The SCA held that a comparison of the marks was required to determine whether they so nearly resembled one another that a substantial number of persons would probably be deceived into believing that the respondent's goods originated from or were connected with the proprietor of the appellant's trade mark, or at least be confused as to whether that was so. The likelihood (or otherwise) of deception or confusion must be attributable to the resemblance (or otherwise) of the marks themselves and not to extraneous matter. The Court further held that, registered trade marks did not create monopolies in relation to concepts or ideas. The fact of the matter was that PACIFIC and ATLANTIC were two vastly different oceans located in two different geographical locations in the world. There was thus not likely to be deception or confusion as contemplated by s 34(1)(a).

Turning to the issue of unlawful competition, the SCA noted that, the amendment based on unlawful competition was only introduced about 6 months after the application had been issued and 4 months after delivery of the respondent's replying affidavit. The amendment was sought absent a supporting or supplementary affidavit. As a result, the court then held that first, the appellant's unlawful competition claim had no legitimate connection to the evidence advanced in the founding affidavit and thus lacked any evidentiary support. Second, the appellant was obliged to make out its case in its founding papers. Third, the respondent was only obliged to meet such case as was made out in the founding papers. Furthermore, the SCA held that the courts have generally declined to come to the aid of an applicant, who complained that a rival trader had used its trade name for its own commercial purposes unless that applicant could establish that the rival trader was using its trade mark or trade name in a manner likely to deceive or confuse members of the public. Consequently, the appeal was dismissed with costs.

~~~~ends~~~~