



**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:** 23 June 2025

**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*

*Yossi Barel v Popular Trading CC and Others (1102/2023) [2025] ZASCA 94 (23 June 2025)*

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Today the Supreme Court of Appeal (SCA) handed down a judgment in which it dismissed the appeal with costs, including the costs of two counsel, where so employed.

The appeal concerned an order from the Kwa-Zulu Natal Division of the High Court (the high court) that set aside a search warrant issued under section 6 of the Counterfeit Goods Act 37 of 1997 (CGA) for the attachment of Enrico Coveri (EC)-branded footwear from Popular Trading. The high court also declared that the seized goods were not counterfeit. The warrant had been granted to the appellant, Yossi Barel (Mr Barel), based on claims that Popular Trading was distributing counterfeit Enrico Coveri footwear in South Africa. Special leave to appeal was granted by this Court, the high court having refused the application for leave to appeal.

A brief factual background is as follows. The ENRICO COVERI brand originates from Italian designer Mr Enrico Coveri (Mr Coveri). In 1990 Mr Coveri died and his sister, Ms Silvana Anna Maria Coveri (Ms Coveri) succeeded him and is currently the general manager of the Enrico Coveri S.R.L, a company founded by Mr Coveri in Italy. Though the trademark was a registered in South Africa between 1985 and 1988, it was removed due to non-payment of the renewal fees. Mr Barel later registered the ENRICO COVERI trademark in his own name for various product classes, including footwear, and operates as a local manufacturer and distributor.

Popular Trading, based in Kwa-Zulu-Natal, imports and distributes EC-branded footwear. Between 1999 and 2009, it imported non-authentic EC footwear from China. From 2010 onwards, it sourced authentic EC products from authorised Italian licensees, first from United Brands Company S.p.A. (UBC). and later Sport Commerce Italia S.R.L (SCI). Since 2010, Popular Trading has been importing authentic Italian footwear with the EC brand.

In December 2021, Mr Barel filed a complaint in terms of s 3(1) of the Counterfeit Goods Act 37 of 1997 (CGA) against Popular Trading. It transpired that Popular Trading failed to heed Mr Barel's many requests to desist from using his ENRICO COVERI trademark. A search warrant was granted *ex parte* and executed in February 2022, leading to the seizure of EC-branded footwear from Popular Trading.

Popular Trading challenged the warrant in an urgent application. The high court found that Mr Barel had failed to disclose key facts and had not established a *prima facie* case of counterfeiting. As a result, the warrant was set aside, the goods were declared not counterfeit, and ordered to be returned.

The crisp issue in this appeal was whether the seized goods were counterfeit goods as contemplated in the CGA. The Court was not unanimous on this question.

The first judgment written by Hughes JA (with Kgoele JA concurring) held that since Mr Barel was the registered owner of the ENRICO COVERI trademark in class 25, any unauthorised use or importation of goods bearing that mark constituted trademark infringement under section 34 of the Trade Marks Act. Hughes JA found that even if Popular Trading's goods were not identical to Mr Barel's, using a mark that was either 'the subject-matter' or a 'colourable imitation' of his trademark amounted to counterfeiting. Hughes JA reasoned that this is so because one could engage in counterfeiting merely by using the protected trademark, whether on the same goods or different goods.

Hughes JA further found that the mark on Popular Trading's goods was very similar, if not identical, to Mr Barel's registered trademark. It was further held that although Popular Trading may not have initially intended to cause confusion, its continued use of the mark after being notified of Mr Barel's trademark rights was calculated to confuse the buying public, or to create the impression that the mark on the goods of Popular Trading was in fact the registered trademark. The first judgment concluded that this conduct amounted not only to a deliberate and fraudulent infringement of Mr Barel's registered trademark, but 'counterfeiting', as defined in the CGA and justified the seizure of the goods. The high court, according to the first judgment, had erred in setting aside the warrant. As the result, Hughes JA would have upheld the appeal.

The second judgment (the majority judgment) was written by Bloem AJA (Unterhalter and Coppin JJA concurring). The judgment commenced by identifying the key issue which was whether the Italian-made footwear, imported and distributed by Popular Trading, qualifies as 'counterfeit goods' due to Mr Barel's trademark, and whether the offence of counterfeiting requires intent (*mens rea*), and if so, what form that intent must take.

The second judgment found that Mr Barel did not dispute that the Italian company ENRICO COVERI SRL (EC), founded by Mr Coveri himself, is the origin of the footwear that Popular Trading distributes under the name of ENRICO COVERI. Popular Trading's footwear is, therefore, "genuine, of legitimate or undisputed origin" and accordingly authentic.

Regard was had to the definition of Counterfeiting and the second judgment found that meaning must be given to the phrase '*... so that the other goods are calculated to be confused with or*

*to be taken as being the protected goods' of the owner of the intellectual property right in the definition of 'counterfeiting'.* That phrase must be read to mean that 'counterfeiting' occurs when goods are manufactured, produced, made or applied '... so that the other goods (being the goods so manufactured, produced, made or applied) are calculated to be confused with ... the protected goods' or '... so that the other goods (so manufactured, produced, made or applied) are calculated to be ... taken as being the protected goods' of the owner of the intellectual property right.

The word 'calculated', in the context of the definition of 'counterfeiting', must mean planned, designed or intended. The second judgment found that the Legislature, by using the word 'calculated' in the definition of 'counterfeiting', required the confusion to have been the result of planning, design or intention. *Mens rea* in the form of *dolus* is accordingly imported into the definition of 'counterfeiting' by the use of the word 'calculated'. Therefore, the second judgment held, for B to be said to have committed counterfeiting, it must be established that B intended his goods to be confused with A's protected goods or that he intended his goods to be taken as B's protected goods. In other words, B acted with an intention to deceive. Without such intention, there cannot be counterfeiting under paragraph (b) of the definition of 'counterfeiting'.

The second judgment asked the pertinent question: Did Popular Trading intend for the footwear it distributed in South Africa to be confused with that distributed by Mr Barel, or did it intend for it to be taken as being Mr Barel's footwear?

The second judgment found that for counterfeiting to take place, the person who is alleged to have committed counterfeiting must be shown to have intended his goods to be confused with the protected goods or he must be shown to have intended his goods to be taken as being the protected goods. It was therefore held by the second judgment that the evidence does not establish that Popular Trading intended, at any stage, that the authentic footwear that it imported from EC's licensees, were to be confused with Mr Barel's footwear or that Popular Trading intended its footwear to be taken as being Mr Barel's footwear.

Furthermore, the second judgment held that although the registration of the ENRICO COVERI trade mark by Mr Barel was brought to the attention of Popular Trading, the continuation by Popular Trading in dealing in the goods imported by it did not amount to counterfeiting because Popular Trading continued to believe that it was importing and distributing the authentic ENRICO COVERI products from Italy. Popular Trading thus was not seeking to confuse its footwear with Mr Barel's protected footwear because Popular Trading plainly considered that the footwear it was importing and distributing enjoyed a distinctive and authentic pedigree.

The second judgment thus holds that Popular Trading did not act with the required calculation to confuse and did not engage in counterfeiting. The appeal therefore falls to be dismissed with costs, such costs to include the costs of two counsel, where so employed.

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