

SLAVEPAK HOLDINGS (PTY) LTD AND ANOTHER v
BUDDY MANUFACTURERS CC

IN THE HIGH COURT OF SOUTH AFRICA
(TRANSVAAL PROVINCIAL DIVISION)
2002 MARCH VAN DER WESTHUIZEN J

An application for an interdict to restrain (a) the infringement of a registered design and (b) the passing off by the respondent of CASEY plastic school cases as the applicants' BUDDY CASES—Application dismissed with costs
Designs Act 195 of 1993, ss 2, 7, 14, 20 and 35

In an application brought by the proprietors of BUDDY CASES plastic school cases to restrain (a) the infringement of their registered design and (b) the passing off by the respondent of CASEY plastic school cases as the applicants' BUDDY CASES the Court

Held that the applicants had not succeeded in proving unlawful conduct by the respondent as far as the alleged infringement of the applicants' design was concerned to enable them to meet the relevant requirements for a final interdict

Held further and insofar as the issue of passing off was concerned that all the differences between the BUDDY CASES and the respondent's CASEY case led the Court to conclude that there was no possibility of confusion resulting from the use of the two labels and the two cases

Held further and insofar as the labels specifically were concerned that although there were certain similarities there was also a clear distinction between the label of the applicants and the label of the respondent

Held further that the applicants had not made out a proper case as far as the alleged passing off was concerned and that the requirements for the legal relief sought by the applicants had therefore not been met

The application was accordingly dismissed with costs including the costs of two counsel

Van der Westhuizen J: This is an application for a final or alternatively an interim interdict based on the alleged infringement of a registered design and also on alleged passing off. It was first brought as a matter of urgency, but struck off the roll for a lack of urgency.
Prayers 2 to 4 of the applicant's notice of motion read as follows:

^{A2(a)} Interdicting the respondent from infringing the first applicant's registered design No 92/0143 by making, importing, using, or disposing of 'Buddy' cases, as depicted in Annexures 01 to 03 to the founding affidavit

- A of Robert Slavin, or any other cases, being articles included in the class (Class 9) in which the design is registered, embodying the registered design or a design not substantially different from the registered design;
- B (b) Interdicting the respondent from passing off any cases offered for sale or sold by it as being those of the applicants or as being connected in the course of trade with the applicants, by offering for sale or selling cases having a get up such as that depicted in Annexure D to the founding affidavit of Robert Slavin or any get up which is confusingly or deceptively similar to that used by the applicants in connection with the applicant's distinctive 'Casey' cases as depicted in Annexure G to the aforesaid founding affidavit;
- C (c) Ordering the respondent to surrender for destruction to the applicants all cases in the respondent's possession or control that infringe the registered design as described in (a) above or which "pass off" the applicant's Casey cases as described in (b) above;
- D 3. Alternatively to 2 above, granting the applicants' orders in terms of paras 2(a) and (b) above, pending the termination of this application, alternatively of an action for final orders in the above terms and for damages, which action is to be instituted within 30 days of this order;
- D 4. Directing the respondent to pay the costs of this application, including the costs of two counsel....'

- E The first application is a holding company of the second applicant, as a wholly owned subsidiary of the first applicant. The business of the second applicant is that of a manufacturer and distributor of office and school stationery products. The second applicant has been involved in this industry since approximately 1968. Included amongst the products which the second applicant manufactures and distributes, are plastic cases embodying a design for which the first applicant obtained registration in terms of the Designs Act of 1967. To these I refer as the applicant's cases. Photographs of an example of the applicant's cases form Annexures D1 to D3 of the founding affidavit of Mr Robert Slavin.

- G The certificate of registration of the first applicant's registered design No 92/0143, which is referred to as the registered design, which includes photographs depicting the design, forms Annexure 'E' to the founding affidavit. The design is registered in Class 9, that is for 'packages and containers'.

- H Examples of the labels which are attached to the applicant's cases are also displayed as part of the papers in Annexures 'H1' to 'H3' to the founding affidavit.

- I The respondent's current business is that of a wholesaler and distributor of the 'Buddy' case which is the subject of this application. The respondent has commenced this particular business in July 2001. Photographs of the respondent's case are also attached to the papers,

as well as the label which respondent's cases carry. The labels are attached as 'P1' to the founding affidavit.

The facts appear from the affidavits filed on behalf of the applicant and the respondent, in particular the affidavit by Mr Slavin together with some supporting affidavits and the affidavit of Suleman Ebrahim. Mr Slavin is the chief executive officer of the first and second applicants, and Mr Ebrahim the sole member of the respondent.

I do not repeat the facts contained in the affidavits, but only highlight a few points very briefly.

The second applicant has been extensively involved in manufacturing in the manufacturing of luggage, handbags and especially cases, since 1964. It currently manufactures a wide range of stationery products. It manufactures the cases at stake under the name of 'Bantex' products. Bantex products are very well known in South Africa and are widely distributed through the entire stationery industry in Southern Africa.

Mr Slavin explains in detail how the idea of a rigid plastic school case, which was unknown in South Africa at the time, came into being as a result of co-operation between him and an ex-director of CNA, and how the cases were then designed and manufactured.

Then he describes in detail the appearance, weight and feel, etcetera of the applicant's cases. He also describes the market, sales and distribution of the plastic cases. Approximately 700 000 of these cases have been sold in South Africa since their launch in 1992, the great majority thereof to school children or their parents.

The cases have been aggressively marketed. Several copies of advertisements, brochures, etcetera, are attached to the papers. According to the deponent, the applicant's cases have acquired a considerable reputation and goodwill which rests in the applicants and which is associated with their distinctive features.

He then describes the alleged unlawful conduct of the respondent, including how he became aware of the existence of the respondent's cases. Mr Slavin states in para 45 of his affidavit on p 34 of the paginated papers and onwards that it is quite clear to him that the respondent deliberately set out to copy the applicant's cases and to pass its cases off as products of the applicants, or as products being connected in some way to the applicants. According to him, there can be no other explanation for the similarity between the two products, not only in regard to their appearance, but even in regard to the materials from which and the processes by which they are manufactured. According to him, the description of the applicant's cases would apply equally to the respondent's case.

As far as the alleged infringement of the registered design is concerned, he states that it is apparent from the photographs of the respondent's case when compared to the photographs depicting the registered design, that the respondent's case embodies the registered design or a

design not substantially different from that design.

He points out that the novelty of the registered design resides 'in the shape and/or configuration of a case substantially shown in the accompanying photographs' and when the respondent's case is compared in its different views to the registered design, that is what the respondent has substantially adopted in his design.

The conduct of the respondent accordingly constitutes an infringement of the first applicant's rights as the registrar/proprietor of the registered design, as provided for by s 20 of the Designs Act 195 of 1993.

He also alleges that the conduct of the respondent could only have been with the deliberate intention of capitalising on the reputation and goodwill attached to the applicant's case. Through the use of the get up and the labelling which are distinctive of the applicant's cases, the respondent has attempted to divert, trade and cause confusion in the market place between his product and the applicant's cases. This conduct would be to the respondent's advantage and would cause damage to the applicant. According to him, it is obvious that the respondent has deliberately copied all the features of the applicant's case which give them their distinctive appearance. For example, the respondent's case also comprises two case lids that are connected to each other by two hinges at the base of the case. The outer face of the applicant's case is ribbed as far as its pattern is concerned, whereas the respondent's case has a series of zig-zag patterns that are embossed on the outer faces. According to the applicant, it could easily be confused by the consuming public as being a non-essential alternative pattern to the ribbed outer faces of the applicant's cases.

Furthermore, the respondent's case also comprises two sliding locks that are ribbed and that are attached to the case lids for keeping the lids closed. The sliding locks slide towards the middle of the case when the case is closed. Each sliding lock has an arrow embossed thereon and point in the direction in which the lock must slide to lock the case. In addition the guide constituting an integral part of the case lid is in the apparent identical copy both in design and dimension of the sliding lock guide used on the applicant's case.

The respondent's cases are manufactured of a robust plastic material and sold in a variety of colours, including blue, black and green. As is apparent from the cases depicted in the photographs, the blue colour of the respondent's case is identical to that of the applicant's case.

The respondent's case also includes a split handle that is located on the top of the case towards the centre of the case when the case is closed and standing on its base. The handle of the respondent's case also consists of two identical halves wherein each half is attached to one lid by means of two hinges. When the case is closed, the two halves of the handle abut to form a full handle.

In addition to this, the respondent's case also includes two lugs located on opposite sides of the case for receiving a shoulder strap.

Similar to that of the applicant's case, the base of the respondent's case includes two hinges that are connected by means of a metal pin. The base also incorporates a number of moulded plastic ribs that extend laterally from the hinge in opposite directions. In particular the base portion of each case half includes two sets of ribs wherein one set comprises of two parallel ribs and the other set of four parallel ribs, the arrangement being such that when the base portions of the two case halves are connected to each other at the hinges, the set of two ribs on one case half co-operates with the set of four ribs on the other case half. These ribs give the case stability when the case is standing upright.

The respondent's case has two colours, namely blue and grey. Whereas the case is predominantly blue, the handle and sliding locks are grey. The respondent's case is sold with a label attached to the handle as depicted in the relevant photographs. The label bears the name 'Buddy Case' is displayed in the same general colours as that of the name 'Casey' of the applicant, namely yellow, blue, green and red. The only colour used in the 'Buddy Case' label which is not used in the 'Casey' label, is the colour orange. Both labels under which the trademarks 'Casey' and 'Buddy Case' are displayed have a blue background with small patterns thereon. The two labels have almost exactly the same dimensions. Both labels are attached to the handles of the case.

It is not unlikely to assume that a substantial number of traders and members of the public will be confused between and deceived by the similarity in appearance of the applicant's 'Casey' case and the respondent's 'Buddy Case', according to Mr Slavin on behalf of the applicant.

The respondents' answering affidavit sets out in detail the steps that were taken in regard to the design and manufacture of the respondent's 'Buddy Case'. It would appear that when the respondent set out to design and manufacture the case, it was fully aware of the existence of the applicant's 'Casey' case on the market and was also aware of the fact that the applicant was the proprietor of the design registration in question. Therefore the respondent took specific steps to avoid any infringement, or suggestion of passing off. It provided a sample of the applicant's case to a qualified designer and instructed him to design a case which could compete against the 'Casey' case, but which had to have a design which was substantially different from the 'Casey' case. A number of designs were produced by the designer of which the respondent ultimately chose one. The respondent presented this design and a dummy model of the design to a well-known attorneys firm specialising in intellectual property, for their opinion. The opinion which the respondent obtained was that the proposed design did not infringe the applicant's registered design and there would not be passing off.

In order to be granted a final interdict, the applicants must of course show a clear right, or a right clearly established, which is a matter of substantive law and injury actually committed or reasonably apprehended, as well as the absence of similar action by any other remedy. Although the applicant asks for interim relief in the alternative, this does not seem to be a case for interim relief but rather for final relief, should the application be successful. The matter is no longer urgent and it was found never to have been urgent. All the relevant facts are before the court.

The first issues is the alleged unlawfulness of the respondent's conduct. The applicant relies on the alleged infringement of the registered design as well as on the delict of passing off.

Regarding the alleged infringement of the design, I have carefully considered the relevant legislation as well as the authorities to which I was referred by counsel, namely *Mr Bowman SC* and *Mr Du Plessis* for the applicant and *Mr Puthin SC*, who presented argument on behalf of the respondent, based on the written heads of argument by *Mr Louw SC* and *Mr Ameri*. These include the relevant clauses of the repealed Designs Act 57 of 1967 and the new Designs Act 195 of 1993, such as the definition of design and ss 2, 7, 14, 20 and 35 of the 1993 Act.

I have also consulted South African and foreign case law to which I was referred by counsel for the parties, such as *Homcraft Steel Industries (Pty) Ltd v S M Hare & Son (Pty) Ltd and Another* 1984 (3) SA 681 (A), *Swissroot Manufacturing Co v Omega Africa Plastics* 1975 (4) SA 379 (W), *Tela Radio Corporation SA (Pty) Ltd v Muland South Africa (Pty) Ltd* 1957 (4) SA 140 (W), *Xactics (Pty) Ltd v Tailored Containers (Pty) Ltd* 1971 (2) SA 562 (C), *Sommer Alben (UK) Ltd and Another v Flair Plastics Ltd* 1987 RPC 599 (CA) 619 and *I & J Marroviich v Homegas (Pty) Ltd* 1961 1 PH F53 (W). I do not repeat or quote the relevant definitions and passages from these authorities. Detailed references and quotations occur in the written heads of argument presented to me by both sides.

I do, however, wish to quote from the judgment by Corbett JA in *Homcraft Steel Industries* at p 694I to 695E:

'The test for infringement is whether the article alleged to infringe embodies the registered design or a design not substantially different from the registered design ... This must be decided by the eye; and in applying this visual test the Court must bear in mind the reaction of the likely customer. The two designs must be viewed and compared side by side and also separately. Ultimately it may be a matter of degree. The Court may have regard to the expert evidence to the extent and for the purposes described by Tindall J in the *Allen-Sherman-Hoff Co* case. The state of the art at the time when the design was registered and the degree of novelty and originality achieved by the registered design is also an important factor ...'

On behalf of the applicants it is argued that a comparison is to be made between the registered design on the one hand and the alleged infringement on the other. It is to be made by the Court, which must, however, bear in mind the reactions of the likely customer. The likely customer in the present case through whose eyes the court must view the design on the one hand and the alleged infringement on the other is a young school-going child or his or her parent, who will be persuaded by the child as to what to buy.

On behalf of the applicants it is further argued that the differences between the respondent's case and that of the applicants are insignificant and do not detract from the fact that these two cases have substantially the same appearance as far as their shape and/or configuration is concerned.

On behalf of the respondent it is submitted that the applicants' contention is wrong for a number of reasons. For example the statement of novelty of the applicant's registered design reads as follows:

'The novelty of the design resides in the shape and/or configuration of a case substantially as shown in the accompany photographs.'

Having regard to the applicable authority, the ribbing on the applicant's registered design forms part of the shape and/or configuration of the design. The raised zig-zag formations on the respondent's case are completely different from the ribbing on the applicant's design. There is no similarity between the two.

There are also other substantial differences between the design of the respondent's case and the registered design with reference to the top, the side and the bottom panels.

The respondent also points out in its answering affidavit that the features relating to the hinged format, the sliding locks, the swivel handle, the fixing system for an adjustable removable shoulder strap and the nature of the material used and the dimensions, are all functional features as contemplated in s 14(5) of the new Act and thus are excluded from the design for the purposes of establishing the rights of the applicants.

This is disputed by the applicants. With reference to s 14(5) of the Act, they argue that these features are not 'necessitated solely by function'.

On behalf of the respondent it is pointed out that the deponent to the applicant's founding affidavit, Mr Slavin, has himself in an application to this court, under case no 3208/99, in which the proprietor of the 'Space Case' plastic pencil box brought an application against the second applicant for infringement of the registered design of that product, and for passing off, pointed out that such features are indeed functional features.

A copy of the relevant pages of this affidavit is annexed to the heads of argument.

A My own observation of the photographs of the applicant's case and the respondent's case, as well as of samples shown to the court by counsel for both sides, have prompted a few impressions. The size and dimensions of the samples shown to me appear to be the same or virtually the same. In both cases the case is square, hard or rigid and manufactured of a lightweight plastic material.

B The alleged functional features, namely the hinged format, the sliding locks, the swivel handle and the fixing system for adjustable removable shoulder straps, appear to be quite similar, although the respondent points out some differences. The most notable difference between the case of the applicant and the respondent, is indeed the ribbed pattern on the applicant's case as opposed to the zig-zag pattern on the respondent's case. Also the side view appears to be quite different, as is evident from the photographs as well as the samples. The rear view appears to be similar, although there are also clear differences. The same applies to the front view.

D As far as the hinging format and the opening and closing of the case are concerned, the hinging mechanism does seem to differ as far as my own observation is concerned. The four samples made available to me created the impression that the respondent's case is to some extent more sturdy or steady when being opened and that there is indeed a difference between the two.

E There also seems to be a slight difference in the feel or texture of the two cases.

F However, to me it appears that colour is indeed an important part in the aesthetic impression created by all these cases. The two blue cases, both with grey handles and locks, which were forwarded to me as samples, one being the applicant's case and the other the respondent's case, appear to be a lot more similar than a second set of cases, namely a green case with grey handle and locks of the applicant and an orange case with black handle and locks of the respondent.

G Counsel for the respondent also exhibited two other cases to the court, belonging to neither the applicant nor the respondent. One of these is blue and the other one red and both have yellow locks and handles. The dimensions of these cases appear to be slightly different and they make a somewhat thicker or fatter impression, but they are also square, rigid and stiff plastic bookcases. The hinging format, swivel handle, sliding locks, etcetera, appear to be quite similar. The pattern on these cases is different. It consists of circular patterns opposed to the ribbed and the zig-zag patterns of the applicant and the respondent. The main feature of these two cases which quite clearly distinguishes them from the cases of the applicant and the respondent also appears to be the colour, namely the

bright yellow of the handle and the locks on the bright red and blue of the two cases, which creates a slightly more informal and colourful impression, perhaps to be associated with younger children, rather than older people. These two cases appear to be slightly heavier and perhaps they make a somewhat cheaper impression.

A As far as the functional or alleged functional features are concerned, the cases of the applicant and the respondent are not substantially closer to one another than to the cases referred to which were handed up, or made available by counsel for the respondent. According to counsel for the respondent, the applicant does not appear to have any problem with the red and blue cases with the yellow fixtures.

B This brings me to one aspect. All of these are squarish, rigid, or hard plastic bookcases with a hinging mechanism, swivel handles and sliding locks in attractive colours. Clearly they differ greatly from many others, especially older and perhaps also other more modern bookcases or tool cases. But, all these cases seem to be part of a modern trend of which the pencil cases, referred to as 'Space Cases' for pens and rulers, are also a part, namely that of attractive, rigid, plastic cases for stationery with some swivel mechanisms, amongst other things. I do not think that the applicant's registered design gives the first applicant a right against all those who design, manufacture or distribute square-looking rigid plastic cases with swivel handles and shifting locks. This is clearly a trend of the moment, distinguishable from vastly different cases or bags made over the years out of, for example, steel, cardboard or canvas.

E As far as the aesthetics are concerned, the similarities between the cases of the applicant and the respondent are striking. However, the differences are also quite obvious, the most important being the rib pattern as opposed to the zig-zag pattern and the side view. The ordinary likely prospective buyer will notice these differences.

F Both sides referred to the fact that the respondent admits that he used the applicant's cases as the starting point for his idea and design and that he attempted to design a product which does compete with the applicant's product, but which is also substantially different to not to result in any infringement of the design or any passing off, and to the fact that legal opinion by an apparent specialist in this area was indeed obtained by the respondent. This does not necessarily take the matter much further in one or the other direction. On the one hand it shows that the respondent did make use of the applicant's product and that he might well have come too close to the applicant's design. On the other hand it indicates that the respondent is frank enough to admit the role played by the applicant's product in the development of his own and to state that he explicitly and concretely tried to avoid infringement of the applicant's design. With competition as such there is nothing wrong, within the context of the infringement of the design.

In the final analysis it is my view that the applicants have not succeeded in proving unlawful conduct by the respondent as far as the alleged infringement of the applicant's design is concerned, to enable them to meet the relevant requirements for a final interdict.

A As to the alleged passing off, I have again taken well-known authorities, to which I was referred, into account, such as *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc and Others* 1977 (2) SA 916 (A) at 929C, *Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd* 1977 (4) SA 434 (W) and one or more well-known authors on the subject.

B As pointed out by counsel on behalf of the respondent, the respondent admits that the applicants have acquired a certain reputation and goodwill, but alleges that such reputation and goodwill is linked to the use of the name 'Bantex Casey' in respect of the applicant's cases. The applicant's labels are distinctive of the applicant's product. However, all the differences between the respondent's 'Buddy' case and the applicant's 'Casey' case should result in a finding that passing off is not at stake here. There is no possibility of confusion resulting from the use of the two labels and the two cases.

D The applicants rely on the fact that their cases are sold in different colours. The respondent intends to develop a large range of at least 12 colours and has offered to limit the manufacture of its 'Buddy' cases to colours other than the red, blue, black and green used by the applicants; therefore no confusing resulting from the use of similar colours could arise. The applicant is dismissive with regard to this possibility. However, in view of the strong impression made by some of the colours, as I stated earlier, this offer may be more useful than the applicant may wish to admit.

F On behalf of the respondent it is submitted that where different trade names or trademarks appear clearly and distinctly on the labels of the two competing products, it can never be argued that the two labels are confusingly similar. Whereas the applicants rely on the fact that the respondent's label also makes use of different colours, it is submitted because of the respondent that there is no merit in this argument because the applicants have no monopoly on the use of different colours. Certain differences in the labels are also pointed out by the respondent.

G As far as the labels are concerned, I am of the opinion that although there are certain similarities, there is also a clear distinction between the label of the applicant and the label of the respondent.

H The applicant has in my view also not made out a proper case as far as the alleged passing off is concerned. The requirements for the legal relief sought by the applicant have therefore not been met.

Consequently the application is dismissed with costs, such costs including the costs of two counsel.

RETAIL APPAREL (PTY) LTD v ENSEMBLE TRADING 2243 CC

IN THE HIGH COURT OF SOUTH AFRICA
(TRANSVAAL PROVINCIAL DIVISION)

2001 JANUARY 22 TO 23. VAN DER WESTHUIZEN J

An urgent application for the rescission of an Anton Piller order—Rescission granted.

In an urgent application for the rescission of an Anton Piller order in terms of which *inter alia* the sheriff had been ordered to effect service on the third to sixth respondents and the first to sixth respondents' banking accounts had been frozen pending the finalisation of an action to be instituted, it became clear, during the course of argument, that only one crisp issue lay at the heart of the matter and that was whether the failure on the part of the sheriff to serve a copy of the application and the order on the respondents, as specified in the order, presented a sufficiently serious flaw in the execution of the order to warrant the setting aside of the order and the Court

Held, that, seeing Anton Piller orders are no longer issued as a rule nisi with a return date, the rescission which the respondents sought effectively amounted to the same as the discharge of the rule and that the only question was whether the non-service of the full application and order was sufficiently substantial and serious to warrant the setting aside of the order.

Held, further, that an Anton Piller order is a drastic and extreme measure with enormous potential for harm, since it would frequently be granted not only in camera and in the absence of a respondent, but also at the instance of a competitor who would not be astute to see that no harm came to the respondent. One could add that constitutional considerations, such as respect for the rights to human dignity, privacy and property, are also highly relevant. Therefore execution must be meticulous and according to the letter of the order.

Held, further, that in appropriate cases a court can show its displeasure or disapproval by setting aside the order (or previously by the urgent discharge of the rule nisi) to restrain the strong temptation which may exist on the part of the applicant to stretch the language of the order. It would be improper to hold that an applicant could abuse the considerable power which the order gives, without facing a penalty for doing so other than a possible claim for damages.

Held, further, and applying the test that what is above all crucial is that what is stated in the order must be adhered to in every substantive respect, the failure by the sheriff to serve the application and order was a sufficiently substantial flaw in the execution to warrant the Court's expressing its displeasure or disapproval by setting aside the order.

The application for rescission was, accordingly, granted with costs.