

REPORTABLE (106)

CAIRNS FOODS LIMITED
v
NETRADE MARKETING (PVT) LTD

SUPREME COURT OF ZIMBABWE
MATHONSI JA, CHIWESHE JA, CHITAKUNYE JA
HARARE, 8 JULY 2021 & 5 OCTOBER 2021

T. Zhuwarara, for the appellant

F. Girach, for the respondent

MATHONSI JA: Alleging trademark infringement, the appellant brought an application to the High Court (the Court *a quo*), in terms of s 9A (2) of the Trade Marks Act [*Chapter 26:04*] against the respondent. What was sought was an interdict against the use of the offending mark and ancillary relief.

On 23 October 2019 the court *a quo* handed down judgment dismissing the application with costs. This appeal is against that whole judgment of the court *a quo*.

FACTUAL BACKGROUND

The appellant and the respondent are companies registered in Zimbabwe and involved in the business of producing and marketing food products. In particular, they are both in an endeavour of packaging and retailing fruit jam. On 10 October 1995, the appellant successfully registered the word “SUN” with device of various fruits under it as its trade mark for fruit jam.

The certificate of registration issued by the Registrar of trade marks reads in part;

“The Trade Mark shown above has been registered in Part A of the Register in the name of CAIRNS FOODS LIMITED, a Zimbabwean company, of Upton Road, Ardbennie, Harare, in Class 29 under No 1479/95 as of the 10th October 1995 in respect of jams.

Registration of this trade mark shall give no right to the exclusive use of the device of various fruits except in the precise relation and association on the representation hereon.” (the underlining is for emphasis)

From then, the appellant has continued to use the mark on its package of “sun jam.” On 9 March 2011, the respondent also successfully registered its own trade mark which consists merely of the words “ROYAL SUN.” It has no fruits and sun devise accompanying it.

The respondent’s own certificate of registration reads in relevant part thus;

“The Trade Mark shown above has been registered in Part A of the Register in the name of Netrade Marketing (Private) Limited, a company incorporation according to the laws of Zimbabwe whose legal address is No. 23 Kenilworth Road, Newlands, Harare Zimbabwe in Class 29 under No. 288/2011 as of the 9th March 2011 in respect of meat, fish, poultry and game, meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk and milk products, edible oils and fats.

Registration of this mark shall give no right to the exclusive use of the word ‘ROYAL’ separately from the mark.” (The underlining is for emphasis).

In its business venture, the respondent also packages and markets fruit jam. For purposes of putting that product on the market, the respondent came up with a logo or appellation containing its trade mark “Royal Sun” with a variety of fruits under it and the words “Mixed Fruit Jam” at the bottom of it all. I mention in passing that the said logo is not registered as part of the respondent’s trade mark apart from the words “Royal Sun.” It is however common cause that its mixed fruit jam is marketed under that logo.

It is the use of the logo together with the respondent’s registered trade mark “ROYAL SUN” which irked the appellant.

PROCEEDINGS IN THE COURT A QUO

The appellant filed an application in the court a quo on 7 August 2017. The application was made in terms of s 9A (2) of the Trade Marks Act [*Chapter 26:04*] for an interdict against what it regarded as an infringement of its trade mark by the respondent. It also sought to interdict the respondent from passing off its products as those of the appellant by the use of a trade mark or words nearly resembling the appellant's trade mark registration number 1479/95.

The appellant's case was that it has been marketing its fruit jam under the word "Sun" and the device mark for over fifty (50) years. As a result, it has secured and acquired reputation and goodwill for its sun jam. According to the appellant, the respondent started promoting and selling its fruit jam under the name "ROYAL SUN" thereby causing confusion.

As proof of such confusion, the appellant cited a case in which one wholesaler which distributes the appellant's sun jam product mistakenly placed the respondent's royal sun jam in its catalogue, promoting the appellant's sun jam. To the appellant, this was enough proof that the packaging of the two products is strikingly similar. It is on that basis that the appellant alleged a trade mark infringement.

Regarding the delict of passing off, the appellant's case was that its "SUN" mark is distinctive, has been in use for over fifty (50) years and as such it is well known to members of the public. Having gained a lot of goodwill which the respondent is riding on, a case of passing off was made. In the appellant's view, the use of "ROYAL SUN" is calculated to deceive the transacting public, cause confusion and injury to the goodwill.

In opposing the application, the respondent's case was that having registered its trade mark in Class 29 under number 288/2011 in respect of jams and other goods, such registration was of full force and effect. It entitled the respondent to use the registered trade mark and as such, it could not be interdicted from doing that which is permitted by law.

Further, the respondent insisted that it has been marketing a broad range of products under its "ROYAL SUN" get up. Its goods are well recognised throughout the country. Jam was only added into the mix later as there was no desire to set up a new mark for only jam. In any event, so the respondent argued, its mark is distinct from and cannot possibly be confused with that of the appellant as the visual get up of its mark is very distinct from and cannot possibly be confused with that of the appellant. Consumers cannot be deceived or confused.

The respondent insisted that there was no likelihood of confusion created in the mind of customers because, unlike the appellant, it uses its logo on a wide range of products. The customers are very familiar with its products and know very well they do not originate from the appellant.

FINDINGS OF THE COURT A QUO

The court *a quo* undertook a comparison of the two marks. It found that the respondent's mark is the words "ROYAL SUN" which extends to jams while that of the appellant is "a representation or a design." For that reason, the court *a quo* reasoned;

"... it is apparent that the parties' respective trademarks are far from identical neither does the respondent's mark so nearly resemble applicant's registered trademark as to be likely to deceive. Clearly the applicant's mark is a design while the respondents' mark are the words "ROYAL SUN".

It was the court *a quo*'s finding that the appellant had incorrectly pleaded "its causa" because there is no trade mark in respect of the word "Sun" independently of the representation. In the court *a quo*'s view, the appellant's trade mark was not the word "Sun". What was registered as a trade mark was the representation or device and not the word "Sun".

The court *a quo* concluded that the appellant had failed to establish any infringement of its trade mark. Regarding passing off, the court *a quo* agreed with the respondent that the evidence of the wholesaler who mistook the respondent's royal sun jam for the appellant's sun jam could not be introduced in answering affidavit.

It accordingly found that the appellant had failed to demonstrate any actionable passing off. That way the application was dismissed with costs.

PROCEEDINGS ON APPEAL

The appellant was riled by the judgment of the court *a quo* and launched the present appeal on five (5) grounds namely:

1. The court *a quo* erred and grossly misdirected itself in its finding that the appellant had only registered a representation or device and not the word SUN when in fact the appellant's mark consists of both the word SUN and a device/representation of fruits.
2. The court *a quo* erred at law in failing to consider that the dominant/distinctive feature of the appellant's mark is the word SUN and the respondent did not need to reproduce the appellant's trade mark as a whole for there to be a trade mark infringement, the use of the word SUN in itself amounted to trade mark infringement.

3. The court *a quo* erred and grossly misdirected itself in its interpretation of the disclaimer on the appellant's mark when the appellant's claim pertained to the unauthorised use of the dominant part of its mark being the word SUN and not the representation of the fruits which was disclaimed.
4. The court *a quo* erred and grossly misdirected itself in its finding that the appellant had failed to prove that its mark had acquired goodwill and reputation when in fact the particulars of the reputation and goodwill were canvassed in the appellant's founding affidavit and were not disputed by the respondent in its opposition.
5. The court *a quo* grossly misdirected itself in comparing the two logos of the appellant and the respondent when the appellant's claim was not about the respondent's logo but the use of the words Royal Sun.

These grounds of appeal zero in on one main issue for determination in this appeal. It is whether the court *a quo* erred and misdirected itself in making a finding that the respondent did not infringe the appellant's trade mark.

Mr Zhuwarara for the appellant, submitted that the court *a quo* misdirected itself by not applying the test used to determine the existence or otherwise of a trademark infringement as set out in the case authorities made available to it. Instead, so it was argued, the court *a quo* embarked on an unnecessary forensic examination of how the two trademarks looked like. In this process the court *a quo* identified six (6) differences in the two thereby arriving at the erroneous conclusion that there was no infringement.

It was further submitted on behalf of the appellant that the court *a quo* was under the mistaken view that the word "Sun" was not a registered trademark and concerned itself

with the design accompanying that word. In counsel's view, the true nature of a trade mark goes beyond the design but encompasses the word "Sun" as well.

Mr Zhuwarara went on to submit that, regarding passing off, all its requirements were established in this case. This was more so regard being had that the same product marketed by the appellant under its registered trade mark, that is fruit jam, was being sold by the respondent under a confusing and deceptive banner. The appellant had shown that goodwill of its product had been acquired over a lengthy period. There was also evidence of confusion created by the respondent's use of a strikingly similar name and logo for its own jam.

Per contra, *Mr Girach* for the respondent submitted in the main that the respondent was not guilty of unauthorised use of a registered trade mark. Quite to the contrary, the respondent registered its own trade mark and used it lawfully. Once the "Royal Sun" trade mark was registered the respondent was lawfully entitled to its use in its business endeavour.

It was therefore incompetent, so it was argued, for the appellant to seek to interdict the use of a registered trade mark because a court of law cannot interdict what is lawful. *Mr Girach* suggested that the appellant should have sought the remedy of the expungement of the offending trade mark from the register of trade marks. For that reason, the appeal ought to fail.

In addition, it was argued on behalf of the respondent that the word "Sun", being generic in nature, cannot be subject of exclusive use unless it is used in a way that causes confusion. According to *Mr Girach*, the appellant pleaded confusion on the part of customers when the Act talks of deception before an infringement could be said to exist. In any event, there was no evidence of confusion.

It was submitted for the respondent that the two marks are not similar and as such the notional customer cannot make a mistake between them. In counsel's view, the court a quo's decision should be upheld.

THE LAW

Perhaps the starting point in examining the law governing trademarks is the effect of registration itself. A trademark is defined in the interpretation provision, namely s 2 of the Trade Marks Act [*Chapter 26:04*] (the Act), in the following words:

“trade mark means a mark which is used or proposed to be used in relation to goods or services for the purpose of:

- (a) indicating a connection in the course of trade between the goods or services and some person having the right either as proprietor or as a registered user to use the mark whether with or without any indication of the identity of that person, and
- (b) distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other persons, but does not include a certification mark.” (The underlining is for emphasis)

In terms of s 5 (4) of the Act, the register of trade marks is *prima facie*, evidence of any matter required or authorised by or under the Act to be entered therein. In resolving the dispute between the parties, therefore, the contents of and what appears in the register is critical.

The provision governing infringements of trademarks is s 8 (1) of the Act which reads;

“(1) Subject to this section and sections ten and eleven, a registered trade mark shall be infringed by any unauthorised use in the course of trade, whether as a trade mark or otherwise of a mark that is identical to the registered trade mark or so nearly resembling it as is to be likely to deceive or cause confusion, where that mark is used in relation to the same or similar goods or services as those in respect of which the trade mark is registered.” (underlying is for emphasis).

Subsection (3) of s 8 makes it clear that the right to the use of a trade mark given by registration in Part A or Part B of the Register shall be subject to any conditions or limitations entered on the Register.

The application before the court a quo was made in terms of s 9A of the Act. It provides for entitlement to and the nature of civil remedies for infringement in the following:

- “(1) Subject to this Act, an infringement of a registered trade mark shall be actionable at the suit of the proprietor and any registered user of the mark.
- (2) Subject to this Act, in any proceedings for an infringement of a registered trade mark there shall be available to the plaintiff all such remedies by way of damages, interdict, attachment, the rendering of account, the delivery of improperly marked goods or of articles used or intended to be used for marking goods or otherwise as are available in respect of the infringement of any other proprietary right.”

The provisions relating to trade mark infringement have been the subject of a number of judicial pronouncements in both this jurisdiction and South Africa. Generally, authorities are agreed that in infringement proceedings what the court is required to do is to consider the notional use to which the party seeking to enforce registration puts its trade mark and protect the monopoly created by the terms of registration. See *Bata Ltd v Face Fashions CC & Anor* 2001 (1) SA 844 (SCA).

The test for infringement was eminently stated in *Plascon Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) at 640G-641E, relied upon by counsel for the appellant in advancing the argument that there exists the likelihood of deception or confusion. The court stated:

“... 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. The notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. 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 ... If each of the marks contain 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 photographic recollection of the whole.” (Underlining added for emphasis).

It has been accepted that one should not peer too closely at the mark and the alleged infringement to find similarities or differences but merely at the dominant impression given by the appearance of the mark. See *Mobil Oil Zimbabwe (Pvt) Ltd v Travel Forum* 1990 (1) ZLR 67; *Puma AG Rudolf Dassier Sport v Global Warming (Pty) Ltd* 2010 (2) SA 600 (SCA).

As for passing off, this court, quoting with approval a number of South African authorities, succinctly set out the basic principles which apply to it, in the case of *Woolworth & Co (Zimbabwe) (Pvt) Ltd v The W Store & Anor* 1998 (2) ZLR 402 (S) at 404 C-G where GUBBAY CJ stated:

“These principles are lucidly identified, with reference to leading authorities in *Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd* 1998 (3) SA 938 (SCA) where at 947 E-948B, HARMS JA said:

‘The essence of an action for passing off is to protect a business against a misrepresentation of a particular kind, namely that the business, goods or services of the representor is that of the plaintiff or is associated therewithin other words, it protects against deception as to a trade source or to a business connection Misrepresentation of this kind can be committed only in relation to a business that has goodwill or a drawing power ... Goodwill is the totality of attributes that lure or entice clients or potential clients to support a particular business ... The components of goodwill are many and diverse Well recognised are the locality and the personality of the driving force behind the business These components are not necessarily all present in the goodwill of any particular business. The only component of goodwill of a business that can be damaged by means of a passing off is its reputation and it is for this reason that the first requirement for a successful passing off action is proof of the relevant reputation.’”

It is apparent that passing off seeks to protect a product from the deceptive tendencies of a competitor who represents its product as that of the other. As a result of such deception or misrepresentation there should be injury or damage to reputation. Therefore, proof of reputation is a pre-requisite for passing off to be established. See also *Zimbabwe Gelatine (Pvt) Ltd v Cairns Foods (Pvt) Ltd* 2003 (1) ZLR 352 (5) at 55G.

APPLICATION OF THE LAW TO THE FACTS

Earlier on, I made reference to the specific trade mark registered for protection against use by any other party by the appellant as appears on the certificate of registration issued to it by the Registrar. By virtue of the trademarks register the mark that is registered consists of the word “SUN”, a depiction of a Sun and various fruits underneath.

It is clear from the conditions of registration endorsed on the certificate that the appellant has no right to exclusive use of the device of various fruits except when they are used in the precise relation and association on the representation embodying the entire mark. My understanding of that condition is that, while the various fruits may be used by any other party, their combination with the word “SUN” and or the picture of a sun will constitute an infringement.

This is so because, by virtue of the definition of trade mark in s 2 of the Act, the mark consisting of the word “SUN”, the picture of the sun and the fruits device qualifies as the appellant’s registered trade mark. The acceptance of that mark in its form and the issuance of a certificate of registration triggered the protection accorded to a registered proprietor by s 8 (1) of the Act.

I entertain no doubt whatsoever that the court *a quo* fell into grave error in finding that the word “SUN” was not registered and that what was registered “was the representation or device and not the word Sun.” In fact, such a factual finding could not possibly be made by a court applying its mind to the facts. It is so grossly unreasonable in its defiance of logic as to attract interference on appeal. It is irrational.

Having said that, it follows that any use of a mark which so nearly resembles that registered by the appellant or one which is likely to deceive or cause confusion constitutes an infringement which is actionable in terms of s 9A.

As already pointed out, the respondent registered a trade mark consisting merely of the words “Royal Sun”. It did not register a device or representation of various fruits or a combination of fruits and the words “mixed fruit jam”. Therefore, the respondent’s protected mark is only “Royal Sun” and nothing more.

More than five (5) years after registering its “Royal Sun” trademark, precisely in December 2016, the respondent commenced using, not just the trademark, but a combination of it and the various fruits as well as the words “Mixed Fruit Jam” to sell jam. The effect of such invention, if that it may be called, is that the respondent commenced selling “Royal sun mixed fruit jam” using a logo which also contains various fruits.

The question which then arises is whether that was an infringement of a trade mark as to entitle the appellant to the relief provided for s 9A. I totally agree with *Mr Zhuwarara* that the court *a quo* misdirected itself by undertaking a forensic audit of the two marks. The law does not require the court to closely peer at the mark and the offending mark to find similarities and differences.

The proper test to be applied is an assessment of the impact which the respondent's mark would have on the average customer leisurely doing shopping at a supermarket, for instance. Would such a customer likely know the difference? This is so because marks are generally remembered by their general impression and not the details the court *a quo* looked for.

It occurs to me that had the court *a quo* applied the proper test, it would no doubt have come to the conclusion that the notional customer encountering Royal Sun Mixed fruit jam with the visual get up of the mark used on the respondent's logo would be deceived or confused into believing it is that of the appellant. Deception or confusion is a matter of first impression not an outcome of a study. The respondent cannot in all fairness suggest that the use of the words "Royal Sun" in conjunction with the various fruits and the words "Mixed fruit jam" was a mere coincidence.

Regarding the reputation of the appellant's product, it was not disputed that it has been on the market for a lengthy period, it was well known by consumers and has acquired reputation. The word Sun has nothing to do with fruit jam. It was already in use in that class of products when the respondent chose to deploy it for the sale of jam as well.

While no case was made for expunging the respondent's trade mark from the register, the evidence before the court *a quo* established both an infringement and passing off in the use of its trade mark with the fruits and the words mixed fruit jam on the logo.

To that extent, the relief provided for s 9A (2) which *inter alia* is an interdict against the use of the logo and its delivery was available and should have been afforded the

appellant. I am aware that the respondent's trade mark is used in respect of other products. That is well and good, but an infringement was established only in the category of jams.

DISPOSITION

The law protects the proprietor of a registered trade mark against the use of a mark similar to or closely resembling the proprietor's trademark. The combination of the respondent's registered trade mark with other objects was actionable at the instance of the appellant.

The appellant was entitled to interdict the use of the logo because it creates a deception or confusion between the appellant's jam product and that of the respondent. The appeal has merit and should be upheld but the relief to be accorded to the appellant should be limited firstly to jam products and secondly to the offending logo and not the trade mark *per se*.

Regarding the issue of costs, the appellant has been substantially successful. It is entitled to its costs in the usual way wherein costs follow the result.

In the result, it be and is hereby ordered as follows:

1. The appeal succeeds with costs.
2. The judgment of the court *a quo* is set aside and substituted with the following:
 - “(a) The respondent be and is hereby interdicted and restrained from infringing the applicant's Trade Mark Number 1479/95 in Class 29 by the use of a logo with a combination of the words 'ROYAL SUN' together with a device or representation of various fruits and the words 'Mixed Fruit Jam' or any other words which nearly resemble the appellant's trade mark Number 1479/95 for its jam product to deceive or cause confusion in relation to the appellant's sun jam products.
 - (b) The respondent be and is hereby interdicted and restrained from using any mark, trade name, label or get up likely to result in its jam products

being taken to be those of the applicant without clearly distinguishing such jam products from those of the applicant.

- (c) The respondent be and is hereby interdicted from passing off its jam products as those of the applicant registered under Trade Mark Number 1479/95.
- (d) The respondent shall deliver to the applicant or the Sheriff for destruction all packaging, labels, posters, wrapping, advertising matter, documents and other material in its possession bearing the ROYAL SUN MIXED FRUIT JAM which resembles the applicant's registered trade mark.
- (e) The respondent shall bear the costs of the application."

CHIWESHE JA : I agree

CHITAKUNYE JA : I agree

B Matanga IP Attorneys, appellant's legal practitioners

Matizanadzo & Warhurst, respondent's legal practitioners