



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: 14 December 2023

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

Grupo Bimbo S.A.B. v Takis Biltong (293/2022) [2023] ZASCA 175 (14 December 2023)

Today the Supreme Court of Appeal (SCA) handed down judgment dismissing with costs an appeal against the decision of the Gauteng Division of the High Court, Pretoria (the high court).

The applicant, Grupo Bimbo S.A.B.DE C.V (the applicant), a Mexican company which traded in many countries including South Africa, was the proprietor of the impugned mark. It was registered in South Africa on 6 June 2012 and covered the following class 30 goods: 'Bread, pastry, corn flour chips, wheat flour chips, corn extruded, wheat extruded, pop corns'. The respondent, Takis Biltong Pty Ltd (the respondent), was a South African company which sold biltong and other snack products in South Africa. Both registered TAKIS LOGO marks were registered on 8 May 2007 in class 29. They covered the following goods: 'Meat, fish, poultry, and game; preserved meats, meat extracts, sausages'. The respondent applied to the high court, in terms of s 24 of the Trade Marks Act 194 of 1993 (the Trade Marks Act), to have the impugned mark expunged. Vorster AJ (the court of first instance) dismissed the application. The respondent appealed against that decision to the full court. On appeal, the majority set aside the order of the court of first instance and replaced it with one cancelling the impugned mark. The majority found that on comparison of the marks in question, they were so similar that there was a likelihood of confusion or deception arising in the marketplace. It also found that there was sufficient uncontroverted evidence establishing the requisite reputation of the respondent. The majority, accordingly, held that the requirements of ss 10(12), 10(14), 10(16), and 10(17) of the Trade Marks Act had been satisfied. The minority (per Makgoba J) found, to the contrary, that although the marks in question were similar, the goods in question were not. It concluded that there was no likelihood of deception or confusion arising in the marketplace.

Aggrieved by that outcome, the appellant petitioned this Court for leave to appeal which was dismissed. The decision dismissing the application for special leave to appeal against that order was referred by Petse AP (as he then was) for reconsideration and, if necessary, variation, in terms of s 17(2)(f) of the Superior Courts Act 10 of 2013 (the Superior Courts Act). He also referred the application for special leave to appeal for oral argument in terms of s 17(2)(d) the Superior Courts Act.

For the applicant to succeed in the application for special leave to appeal against the order of the majority, it had to show that there were special circumstances in existence. Furthermore, the applicant had to convince the court that there was a realistic prospects of success on appeal. And in order to do the applicant had to show that: (a) the marks were not similar and that there was no likelihood of deception and confusion; (b) the goods were not similar; (c) the impugned mark was unlikely to take advantage of or be detrimental to the respondent's registered mark; and (d) the respondent did not have prior existing rights in class 30 goods.

The SCA held that the applicant failed to establish special circumstances and that factor alone was sufficient reason to dismiss the application for special leave to appeal. With regards to the prospects of success, the Court held that the applicant failed to demonstrate that there was a sound rational basis to conclude that there was reasonable prospect of success on appeal. In respect of point (a) the SCA held that the two marks were sufficiently similar to create a likelihood of deception or confusion as contemplated in s 10(12) of the Trade Marks Act. Relating to point (b) the SCA held that for purposes of s 10(14) of the Trade Marks Act the impugned mark was wrongly entered in the trademark register as it was identical to the respondent's registered TAKIS LOGO marks. Coming to point (c) the SCA held that the applicant had conceded that the respondent's registered TAKIS LOGO mark was well-known for biltong in South Africa. That meant, without the need for more, that the respondent had the requisite reputation to sustain its s 10(17) case that the impugned mark was similar to the TAKIS LOGO mark which was registered some six years prior to it. And that the applicant's use of the impugned mark was likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the respondent's registered TAKIS LOGO marks. Lastly, as it relates point (d) the SCA held that the respondent had, in so far as its reliance on s 10(16) of the Trade Marks Act was concerned, only pleaded existing rights in respect of its class 29 goods and not its class 30 goods. And thus the majority erred in its finding that the respondent had satisfied the requirements of s 10(16) of the Trade Mark Act. This however, held the SCA, was not a basis to grant the application for special leave to appeal. The SCA found that, because the provisions of s 10 of the Trade Marks Act were self-standing grounds to either oppose the registration of a mark or seek its expungement from the trademark register. If any one of these grounds was established, then the court must either refuse the registration or expunge the mark from the register, whichever is the case. It further held that the respondent had succeeded in satisfying the requirements of ss 10(12), 10(14) and 10(17) of the Trade Marks Act. Accordingly, as found by the SCA, the majority concluded correctly that the applicant's impugned mark was an entry wrongly made in, and wrongly remaining on, the trade mark register and it thus fell to be cancelled in terms of ss 10(12), 10(14) and 10(17) of the Trade Marks Act. For those reasons, the Court held that the proposed appeal had no reasonable prospects of success. More importantly, the applicant had failed to establish special circumstances. As a result, the application for special leave to appeal must therefore be dismissed with costs.