

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


Case No: 1243/2004

Date heard: 15/08/2005

Date of judgment: 22/8/2005

In the matter between:

GOLDEN FRIED CHICKEN
(PROPRIETARY) LIMITED


.....
SIGNATURE

and

YUM RESTAURANTS INTERNATIONAL
(PROPRIETARY) LIMITED

RESPONDENT

JUDGMENT

DU PLESSIS J:

An assignment to the appellant of trade mark 1985/03852 **TWISTIES** in class 29
("the **TWISTIES** mark") was registered in the trade marks register on 30 May 2003.

The **TWISTIES** mark was originally registered in the name of National Brands Ltd on 1 October 1986.

On 4 August 2003 the respondent applied to the registrar of trade marks to have the **TWISTIES** mark removed from the register. The registrar granted an order removing the mark from the register and ordered the appellant (the respondent before the registrar) to pay the costs of the application. This is an appeal against the registrar's order.

The respondent applied to have the mark removed in terms of section 27(1)(b) of the **Trade Marks Act, 194 of 1993** ("the Act"). Relevant to this appeal section 27 provides as follows:

"(1) Subject to the provisions of section 70 (2), a registered trade mark may, on application ... to the registrar by any interested person, be removed from the register in respect of any of the goods or services in respect of which it is registered, on the ground ..

(a) ...

(b) that up to the date three months before the date of the application, a continuous period of five years or longer has elapsed from the date of issue of the certificate of registration during which the trade mark was registered and during which there was no bona fide use thereof in relation to those goods or services by any proprietor thereof or any person permitted to use the trade mark as contemplated in section 38 during the period concerned; or

(c)

(2) ...

(3) **In** the case of an application in terms of paragraph ... (b) of subsection (I) the onus of proving, if alleged, that there has been relevant use of the trade mark shall rest upon the proprietor thereof."

It is clear from the facts that follow, and the contrary was not argued on appellant's behalf, that the respondent is an "interested person" as envisaged in section 27(1) and that it thus had the necessary standing to apply for the removal of the **TWISTIES** mark.

The respondent is a licensee of Kentucky Fried International Holdings Inc (KFCH), a corporation incorporated in Delaware, United States of America. The respondent thus is the authorised user in South Africa of KFCH's trading styles and trade marks which include "Kentucky Fried Chicken", "KFC" and "Kentucky" to which I shall collectively refer as KFC. KFC is well known both in South Africa and internationally in relation to pre-prepared foodstuffs or "take-away" foods. KFCH is the proprietor of a trade mark **TWISTERS** which is internationally used in relation to a bakery product, typically a tortilla, pita or other bread wrap, containing chicken, meat and/or fish and a sauce. The **TWISTER** trade mark was registered in the USA in 1997 and has since been used there. Since then the use of the **TWISTER** product has expanded and is a menu item in KFC outlets world wide. KFCH has trade marks consisting of or incorporating

the word "twister" registered or pending in more than 80 countries world wide. On 2 December 1999 KFCH applied for the registration of **TWISTER** in South Africa in class 30. The application is pending under number 1999/22395 and the appellant intends to oppose the registration. The respondent is authorised to use the **TWISTER** mark in South Africa and in about November 2000 it commenced marketing the **TWISTER** product in South Africa. The product was launched here in about May 2001. The product has proved a successful addition to the KFC range of products.

The appellant and its franchisees trade as Chicken Licken and they directly compete with the respondent. On 13 May 2002 the appellant applied for the registration of the trade mark **TWISTIES** in classes 29 and 30. These applications are pending. However, according to the respondent, the appellant commenced marketing a product under the trade mark **TWISTIES** in the last week of May 2003. The appellant's **TWISTIES** product is similar to the respondent's **TWISTER** product in that it consists of "twisted flatbread, [essentially a pita-type bread] with **POP CORN CHICKEN**TM, chips, tomato and **HIP HOP**TM sauce" (quoted from the appellant's answering affidavit).

Against this backdrop the registrar's decision to remove the **TWISTIES** mark may now be considered. I shall first consider whether the appellant has proved that it had used the trade mark **TWISTIES** within the time period specified in section 27(1)(b). The onus to prove such use is on the appellant (see section 27(3)).

In terms of section 27(1)(b) a trade mark may be removed if it has not been used¹ for a continuous period of five years or longer since its registration. In terms of the subsection use after a date three months before the date of the application for removal is not taken into account. The date of the present application is 4 August 2003. There is no evidence that National Brands Ltd used the mark at all and the appellant therefore had to prove that it had used the **TWISITES** mark before 4 May 2003.

Mr Griesel, who deposed to the respondent's founding affidavit, alleged that the appellant did not use the **TWISTIES** mark before the last week of May 2003. In the answering affidavit the respondent's managing director, Mr Sombonos, set out to prove that the appellant had made earlier use of the trade mark. He averred that the "respondent, through franchise outlets operated under its control, has used its registered trade mark **TWISTIES** extensively ... ". In order to substantiate this allegation, Sombonos attaches to his affidavit menus and advertising material used at franchise outlets. The menu offers the **TWISTIES** product as an item. The advertisement boldly advertises the **TWISTIES** product. Apart from the general statement that the menu and advertisement emanate from "franchise outlets", Sombonos gives no detail of the origin thereof. More importantly however, the two annexures bear no date and does not assist in determining when use was made of the **TWISTIES** mark.

Sombonos further seeks to substantiate his allegation by stating that "the respondent's extensive use of its registered **TWISTIES** trade mark ... can also be seen

¹ The use must be bona fide but I leave that aside for now.

from a printout, attached marked "GS4", in which the number of **TWISTIES** chicken wraps sold at the respondent's franchise outlets and the sales revenue generated by such sales are recorded". The annexure consists of a number of pages that, on the face thereof, seem to have been generated by a computer or a cash register. The first page of the annexure is typed and apparently is a summary of the other pages.

The registrar found this evidence insufficient to prove use within the relevant period and it is to that finding that I now turn.

Although Mr Sombonos does not identify the source of the printout, I shall assume that it is a printout of data generated or stored electronically and that the data thus fall within the definition of "data message" under section 1 of the **Electronic Communications and Transactions Act, 25 of 2002**. Even on that assumption the mere production of the printout as evidence is not admissible and does not constitute *prima facie* evidence. In terms of section 15(4) of that Act a printout of a data message can constitute *prima facie* proof if it the data message was made by a person in the ordinary course of business and if the printout is certified to be correct by "an officer in the service of such person". The respondent did not even attempt to show that the data message contained in the printout was made in the ordinary course of business nor was the printout certified by anybody to be correct.

For the following reasons, and apart from the provisions of the **Electronic Communications and Transactions Act**, I agree with the registrar's finding that the

printout does not prove use of the trade mark at a particular time. Firstly, emanating, as they do, from franchisees, the appellant did not prove that Mr Sombonos had any first hand knowledge regarding the printouts. The evidence is inadmissible hearsay. Secondly, Sombonos fails to state printouts of what the annexures are. Such a reference to a document certainly does not prove the contents of the document. Thirdly, even if one were to accept that the documents prove something, they certainly do not prove on what date or dates use was made of the **TWISTIES** mark. There are no dates printed on the documents. Manuscript dates, barely legible, do appear but there is no evidence whatsoever of the origin thereof.

I conclude therefore that the appellant has failed to prove on a balance probabilities that it has made use of the trade mark **TWISTIES** before a date three months before the date of the application for removal. It therefore is unnecessary to consider, in order to determine whether bona fide use was made, from which date onwards the respondent was authorised to use the trade mark. It is also unnecessary to consider whether using the trade mark in relation to the flatbread product described above constituted use in respect of goods in class 29 for which the **TWISTIES** mark was registered.

In terms of section 27(1) of the Act the registrar, having found that the appellant did not prove relevant use of its **TWISTIES** mark, had a discretion not to remove the mark from the register. It was held in **McDonalds Corporation v Dax Prop CC and another** 1997 (1) SA 1 (A) at 32 that this general discretion will only be exercised if the

circumstances are exceptional. The registrar found that the appellant² did not show any exceptional circumstances that might have persuaded him to exercise his discretion in the appellant's favour. Mr Salmon submitted that the registrar erred in that respect but counsel did not and could not submit that the discretion was in any way exercised improperly. It is trite law that a court of appeal will not interfere with the exercise of a discretion unless it is satisfied that the discretion has not been properly exercised. In the result, even if we were so minded, we are not at liberty to interfere with the registrar's exercise of the discretion.

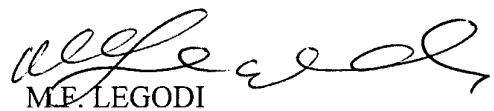
The appeal is dismissed with costs.



B.R. DU PLESSIS

Judge of the High Court

I agree.



M.F. LEGODI

Judge of the High Court

I agree.



N.M. MAVUNDLA

Judge of the High Court

² The judgment erroneously reads that the "applicant" did not show exceptional circumstances.