

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

Date: 2009-02-04

Case Number: 40986/07

UNREPORTABLE

In the matter between:

GREENGRASS PRODUCTIONS, INC.

Applicant

and

YOU CAN WIN-CLUB CC

First Respondent

REGISTRAR OF TRADE MARKS

Second Respondent

ALEX CARLYLE

Third Respondent

LEANDRO GAGIANO

Fourth Respondent

JUDGMENT

SOUTHWOOD J

[1] In accordance with its Amended Notice of Motion the applicant seeks orders in terms of section 24(1) of the Trade Marks Act, 194 of 1993 ('the Act'), alternatively, sections 6 and 8 of the Promotion of Administrative Justice Act, 3 of 2000 (PAJA), to correct the register of trade marks in relation to trade mark number 2004/16148 EXTREME MAKEOVER logo in class 35 ('the trade mark') to reflect that the trade

mark is a pending trade mark and not a registered trade mark, to reflect that the applicant for registration is You Can Win-Club CC (the first respondent), to amend the specification of goods to read as it did on the date when the application to register the trade mark was filed and to inform the applicant that he has done so, and further, to direct that the applicant's opposition to the registration of the trade mark may proceed. The applicant also seeks an order interdicting Alex Carlyle (the third respondent) from performing any further acts in relation to the trade mark in any capacity whatsoever and an order that Alex Carlyle and Leandro Gagiano (the fourth respondent) and the trustees of the Gagiano Family Trust (the 'Trust') pay the applicant's costs on the scale as between attorney and own client, jointly and severally, the one paying the other to be absolved. The application is opposed by the first respondent and the third and fourth respondents, in their capacities as trustees of the Trust. They will be referred to collectively as 'the respondents'. The first, third and fourth respondents contend that there are disputes of fact which cannot be resolved on the affidavits. The second respondent (the Registrar of Trade Marks) does not oppose the application.

- [2] The applicant seeks final relief on notice of motion and where there are disputes of fact in the affidavits final relief may be granted only in the circumstances outlined in ***Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A)*** at 634D-635C. In general, final relief can be granted on notice of motion only if the facts alleged by the

respondent together with the facts alleged by the applicant and admitted by the respondent, justify the grant of such relief. However final relief may also be granted 'if the respondent's version consists of bald or uncreditworthy denials, raises fictitious disputes of fact, is palpably implausible, far-fetched or so clearly untenable that the court is justified in rejecting them merely on the papers' – see ***National Director of Public Prosecutions v Zuma*** SCA Case Number 573/08 delivered 12 January 2009 para 26; ***Plascon-Evans Paints Ltd v Van Riebeeck Paints supra*** at 635A-C; ***Zuma v National Director of Public Prosecutions 2008 (2) SACR 421 (CC)*** para 8-10. As pointed out in ***National Director of Public Prosecutions v Zuma, supra***, motion proceedings, unless concerned with interim relief, are concerned with the resolution of legal issues based on common cause facts. Obviously the facts cannot be common cause where there is a real, genuine and *bona fide* dispute of fact on an essential issue. In ***Wightman t/a JW Construction v Headfour (Pty) Ltd and Another 2008 (3) SA 371 (SCA)*** at para 13 the court said:

'A real, genuine and bona fide dispute of fact can exist only where the court is satisfied that the party who purports to raise the dispute has in his affidavit seriously and unambiguously addressed the facts said to be disputed. There will of course be instances where a bare denial meets the requirement because there is no other way open to the disputing party and nothing more can therefore be expected of him. But even that may not be sufficient if the fact averred lies purely within the knowledge of the averring party and no basis is laid for disputing the veracity or accuracy of the averment. When the facts averred

are such that the disputing party must necessarily possess knowledge of them and be able to provide an answer (or countervailing evidence) if they be not true or accurate but, instead of doing so, rests his case on a bare or ambiguous denial the court will generally have difficulty in finding that the test is satisfied. I say “generally” because factual averments seldom stand apart from a broader matrix of circumstances all of which needs to be borne in mind when arriving at a decision. A litigant may not necessarily recognise or understand the nuances of a bare or general denial as against a real attempt to grapple with all relevant factual allegations made by the other party. But when he signs the answering affidavit, he commits himself to its contents, inadequate as they may be, and will only in exceptional circumstances be permitted to disavow them. There is thus a serious duty imposed upon a legal adviser who settles an answering affidavit to ascertain and engage with facts which his client disputes and to reflect such disputes fully and accurately in the answering affidavit. If that does not happen it should come as no surprise that the court takes a robust view of the matter.’

[3] At the hearing on 18 November 2008 and pursuant to notices of application given by the applicant and by Alex Carlyle and Leandro Gagiano in their capacities as trustees of the Trust an order was made that Alex Carlyle and Leandro Gagiano in their personal capacities and in their capacities as trustees of the Trust were joined as the third and fourth respondents respectively.

[4] On 18 November 2008 the court also ruled that the respondent’s attorney would not be heard because of his failure to file heads of

argument as required by this court's rules of practice. In terms of these rules, parties to opposed applications are required to file practice notes and heads of argument at the registrar's general office, before the roll closes in the week before the hearing. The object of these practice notes and heads of argument is obviously to assist the judge and the other parties to identify the factual and legal issues and prepare for the hearing. Failure to file the practice notes and heads of argument inconveniences the court and the other parties and is usually visited with a severe sanction: the court will postpone the hearing and order the offender to pay the wasted costs on the attorney and client scale. Problems can arise where only one party complies with the rule and wishes to proceed and the other party does not comply. The applicant's counsel filed a practice note and heads of argument but the respondent's attorney filed only a practice note. His practice note states simply that the respondents would seek the dismissal of the application with costs, 'due to the plethora of factual disputes'. No details were given. The respondents' attorney obviously thought he would be entitled to address the court despite not complying with the rules of practice. He could not explain why his heads of argument had not been filed and his correspondent was not available to furnish an explanation. He claimed that his correspondent had filed the heads of argument but it was pointed out to him that only the practice note was in the court file. Obviously neither the correspondent nor the registrar's staff would have an interest in detaching the heads of argument from the practice note. Allowing a litigant to address the court in these

circumstances would defeat the object of the rule. The court was also influenced by the manner in which the respondents had conducted the litigation. In this judgment I have considered all the affidavits in accordance with the *Plascon-Evans* principles.

[5] The applicant's case for rectification of the trade marks register in terms of section 24(1) of the Act is that –

(1) On 12 December 2006 the second respondent wrongly issued to the first respondent the certificate of registration in respect of the trade mark after the applicant, on 23 November 2006 and in terms of Regulation 52(1) of the Trade Mark Regulations, requested a three month extension of the term within which it could oppose the application. The respondents dispute that the applicant submitted to the second respondent the written request prescribed by Regulation 52(1). They contend that the second respondent was entitled to register the trade mark and issue the registration certificate.

(2) On 4 September 2007 the first respondent wrongly sought and, on 6 September 2007, wrongly obtained changes in the trade mark register to reflect –

(i) The name of the applicant for the trade mark as the Gagliano Family Trust; and

- (ii) The specification of services in respect of which registration of the trade mark was sought as –

‘Advertising: TV, Radio, Internet, Newspapers, Magazines and Billboards. Offering for sale and the sale of goods in the retail and wholesale trade. Business Management, administration and office functions. Compilation of information into computer databases and auditing’.

The applicant bases this part of its case on facts alleged by the first respondent.

- [6] For the relief sought in respect of the registration of the trade mark on 12 December 2006 the applicant relies on the provisions of section 21 of the Act read with Regulation 52(1) of the regulations. Section 21 provides that –

‘Any interested person may, within three months from the date of the advertisement of an application in terms of section 17, or within such further time as the registrar may allow, oppose the application in the manner prescribed.’

Regulation 52(1) provides that –

‘Any person interested in opposing a trade mark application may request the Registrar, on written request before the expiry of the term in which to enter opposition to the application in terms of

section 21, not to issue the certificate of registration for a period of three months from the date of expiry of the aforementioned term, and the Registrar shall not do so.'

- [7] For the relief sought in respect of the entries made on 6 September 2007 the applicant relies on the provisions of sections 39 and 40 of the Act read with Regulations 31-35. The relevant provisions read as follows:

'39. Powers of, and restrictions on, assignment and transmission.

- (1) Subject to any rights appearing from the register, a registered trade mark is assignable and transmissible, either in connection with or without the goodwill of the business concerned in the goods or services in respect of which it has been registered.
- (2) A registered trade mark is assignable and transmissible in respect of all or some of the goods in respect of which it is registered.
- (5) Notwithstanding anything to the contrary contained in subsections (1) and (2) and subject to the provisions of subsection (4), where a trade mark which is the subject of a pending application for registration has subsequent to the date of the application been assigned or transmitted, the registrar may, on application in the prescribed manner, and subject to such conditions as he may deem necessary, allow the person entitled to such

trade mark by reason of such assignment or transmission, to be substituted as applicant for registration of the trade mark.

- (7) No assignment of a registered trade mark or a trade mark which is the subject of an application for registration shall be of any force or effect unless it is in writing and signed by or on behalf of the assignor.'

'40.Registration of assignments and transmissions.

- (1) Where a person becomes entitled by assignment or transmission to a registered trade mark, he shall make application on the form prescribed to the registrar to register his title, and the registrar shall on receipt of the application and of proof of title to his satisfaction, register him as the proprietor of the trade mark and shall cause particulars of the assignment or transmission to be entered in the register.
- (2) Every application to register an assignment or transmission in terms of subsection (1) shall recite the effective date of such assignment or transmission, and if application is made more than 12 months after such date, the applicant shall be liable to pay such penalty as may be prescribed.'

‘Where a person becomes entitled by assignment or transmission to a registered trade mark, he may make application to the Registrar on Form TM6 to register his title and if the application is not made to register the assignment or transmission within 12 months of its effective date, a penalty specified in Schedule 1 to these regulations shall be payable in respect of each period of 12 months or portion thereof following the expiration of 12 months from the effective date.’

Regulation 32 –

‘An application in terms of Regulation 31 shall contain the name and address of the applicant and the name and address of the person claiming to be so entitled, and in the case of a body corporate, the state or country under whose law it is incorporated, together with particulars of the instrument or a copy of thereof, if any, under which he claims.’

Regulation 33 –

‘Where in the case of an application on Form TM6 the person applying for registration of his title does not claim under any document or instrument which is capable in itself of furnishing proof of his title, he shall, unless the Registrar otherwise directs with the application, file a statement of case setting out the facts upon which he claims to be the proprietor of the trade mark’

Regulation 34

‘The Registrar may call on any person who applies to be registered as proprietor of a registered trade mark for such proof of title as he may require’

Regulation 35

‘When the Registrar is satisfied as to the title of the person claiming to be registered, he shall cause him to be registered as the proprietor of the trade mark in respect of the relevant goods or services and shall enter in the register his name, address and particulars of the assignment or transmission and the effective date of assignment.’

- [8] (1) The parties have not restricted themselves to the prescribed three sets of affidavits. See ***James Brown & Hamer (Pty) Ltd (Previously, Gilbert Hamer and Co Ltd) v Simmons NO 1963 (4) SA 656 (A)*** at 660D-H.
- (2) After Mariette du Plessis alleged in the applicant’s replying affidavit that Alex Carlyle fraudulently misrepresented to the court that the first respondent is still an existing corporate entity and that Alex Carlyle fraudulently purported to pass a resolution on behalf of the first respondent, basing this on strong evidence that the first respondent was liquidated in 2005, on 7 February 2008 (one week before the hearing on 14 February 2008) the first respondent filed a comprehensive rejoinder to deal with ‘new material in the applicant’s replying affidavit alternatively material that cannot go unchallenged’. This affidavit dealt with

Ms Du Plessis' allegations that Alex Carlyle acted fraudulently; that there had not been an assignment of the trade mark from the first respondent to the Trust; that the first respondent purported to assign the trade mark to the Trust to frustrate the applicant in these proceedings and that Ms Du Plessis was authorised to bring the application. In the first respondent's rejoinder Alex Carlyle pertinently denies the evidence of Ms Du Plessis' associate, Dale Timothy Healy, that he found Adams & Adam's letter to the second respondent dated 23 November 2006, apparently date stamped 23 November 2006, on 2 November 2007 (something which he did not allege). Alex Carlyle pertinently questions the *bona fides* of the applicant and its witnesses, Ms Du Plessis and Mr Healy, and effectively accuses the witnesses of fabricating Adams & Adam's letter dated 23 November 2006 for purposes of this application. In this affidavit, Alex Carlyle, for the first time, discloses that during August 2007 (i.e. apparently before the applicant launched this application) she had called at the second respondent's offices and obtained a copy of the whole file pertaining to the trade mark and that Adams & Adam's letter dated 23 November 2006 was not amongst the papers. According to Alex Carlyle, the official at the trade mark's office (Bets Lewies) certified the copies given to her (not attached to the rejoinder) and she, Alex Carlyle, did not disclose these facts in the answering affidavit 'as I could not know whether the applicant would produce a copy of

MV2 (the relevant letter) allegedly bearing the second respondent's date stamp'. Regarding Ms Du Plessis' evidence relating to the applicant's interest in the trade mark, Alex Carlyle says she will not deal with the allegations apparently because she was advised that the applicant is attempting to make out a new case in its replying affidavit. Alex Carlyle also alleges misconduct on the part of a senior official in the trade marks office, Fleurette Coetzee, who Alex Carlyle alleges was formerly employed by Adams & Adams. No facts are set out in support of the allegation that Fleurette Coetzee was employed by Adams & Adams and Alex Carlyle does not state the source of this information.

- (3) On 18 March 2008, and primarily to deal with Alex Carlyle's allegations of impropriety against Ms Du Plessis and Dale Healy, the applicant filed a surrejoinder affidavit.
- (4) At the hearing the applicant did not object to the respondent's rejoinder affidavit being filed and addressed the court on all the papers filed.

[9] The following relevant facts are either common cause or are alleged by the respondents:

- (1) On 15 September 2004 the first applicant filed an application for registration of the trade mark in terms of section 16 of the Act and on 30 August 2006, after the second respondent had accepted the application, the application was advertised in the Patent Journal. The trade mark sought to be registered consisted of the words EXTREME MAKEOVER in stylised script and the specification of the services was – ‘Discount and adventure web site club for agents and ladies such as plastic, eye and dental surgery, implants, laser hair removal, hairdressers, make-up and clothing etc.’
- (2) On 12 December 2006 the second respondent issued a certificate of registration in respect of the trade mark to the first respondent.
- (3) On 5 February 2007 and again on 27 February 2007 the applicant’s attorney, Ms du Plessis of Adams & Adams, addressed letters to the first respondent requesting an extension of the opposition term until 30 May 2007. The letter dated 5 February 2007 (which was posted on 20 February 2007) wrongly referred to Adams & Adams’ client as Disney Enterprises. The letter dated 27 February 2007 reads as follows:

‘SOUTH AFRICA: Trade Mark application number 2004/16148 EXTREME MAKEOVER in class 35 in the

name of YOU CAN WIN-CLUB CC: opposition thereto by GREENGRASS PRODUCTIONS INC.

We refer to our letter of 5 February 2007 in which a typographical error occurred, requesting an extension of the opposition term until 13 May 2007. We referred to our client as being Disney Enterprises, Inc. Our client is in fact Greengrass Productions, Inc., as indicated in our letter of 23 November 2006.

On behalf of our client, Greengrass Productions, Inc., we hereby request an extension of the opposition term until 30 May 2007.

We attach hereto two copies of our request and ask that you sign and forward one to the Registrar and the other to ourselves confirming that you agree to our extension request.

We have requested the Registrar of Trade Marks not to issue the registration certificate and attach a copy of our letter herewith.'

- (5) On 5 February 2007 and 27 February 2007 Adams & Adams sent copies of its letters to the first respondent to the second respondent. Adams & Adam's letter to the second respondent dated 27 February 2007 also refers to Adams & Adam's letter to the second respondent dated 23 November 2006.
- (6) On 27 February 2007 Alex Carlyle received Adams & Adams' letter dated 27 February 2007. On the same day, Alex Carlyle,

telephoned Mariette du Plessis of Adams & Adams, and after identifying herself and stating that she was a member of the first respondent, informed Ms Du Plessis that –

- (i) the first respondent was not prepared to agree to the applicant's request for an extension of the opposition term until 30 May 2007;
- (ii) the certificate of registration in respect of the trade mark had been issued in December 2006.

- (7) On 27 February 2007 Alex Carlyle faxed to Adams & Adams, Adams & Adam's letter to the first respondent dated 27 February 2007 endorsed by Alex Carlyle to the effect that the first respondent did not agree to the request for an extension. Alex Carlyle also wrote on the letter –

‘I do not agree to your extension request’

and

‘Please note the certificate was issued the 1st week Dec 2006’.

- (8) On receipt of the letter dated 27 February 2007 Mariette du Plessis immediately requested a copy of the register page in respect of the trade mark and saw that it reflected that the trade mark had been registered. She then requested copies of documents from the second respondent's file which could not be located until 10 May 2007. Included in this documentation was the certification of registration which was issued in favour of the first respondent on 12 December 2006.
- (9) On 27 August 2007 the applicant represented by Adams & Adams issued this application. In the notice of motion the respondents were informed that if they intended to oppose the application they were required to notify the applicant's attorneys in writing on or before 10 September 2007 and to file their answering affidavits, if any, within 15 days after they had given notice of their intention to oppose the application and that if no notice of intention to oppose was given the application would be made on 26 September 2007 at 10h00.
- (10) On 29 August 2007 the Sheriff served the notice of motion on the first respondent and on the 4th of September 2007 on the second respondent. Neither respondent gave notice of intention to oppose or filed an answering affidavit.

- (11) On 4 September 2007, Alex Carlyle, on behalf of the first respondent, filed with the second respondent an application on form TM2 requesting that the applicant's name on the trade mark application/registration no 2004/16148 be changed from You Can Win-Club to Gagliano Family Trust (IT5870/2005) and that the specification of services in respect of which the trade mark was sought to be registered or registered be changed to read –

‘Advertising: TV, Radio, Internet, Newspapers, Magazines and Billboards. Offering for sale and the sale of goods in the retail and wholesale trade. Business management, administration and office functions. Compilation of information into computer databases and auditing.’

The reason for this request given in the form was –

‘Change applicant's name and goods of services as applicant's business has changed’

- (12) On 5 September 2007 Alex Carlyle sent the following e-mail to Adams & Adams:

‘To whom it may concern.

Please note that Adams & Adams (M Viljoen) has had a “Notice of Motion” delivered to “You Can Win-Club CC” in Lois Road, Illiondale, Edenvale.

The closed corporation (You Can Win Club CC) has been deregistered sometime ago and the applicant’s name on the Trade Mark was changed’

- (13) On 6 September 2007 the second respondent formally notified the first respondent that the request in the Form TM2 had been granted.
- (14) The first respondent deliberately did not give notice of its intention to oppose the application because Alex Carlyle did not think it was necessary. She adopted this view because, she said, the trade mark had been assigned by the first respondent to the Trust (apparently by means of the first respondent’s request to the second respondent dated 4 September 2007.).
- (15) On 26 October 2007 the applicant served a notice of set down for 2 November 2007 on the first respondent.
- (16) On 31 October 2007 Alex Carlyle consulted the first respondent’s attorney of record to obtain advice as to whether the application would affect the Trust. According to Alex Carlyle, the attorney advised her that the Trust’s rights and interests in respect of the trade mark would be affected even though the

Trust had not been cited as a party. The first respondent's attorney advised Alex Carlyle that the first respondent should give notice of its intention to oppose the application.

- (17) On 1 November 2007 Alex Carlyle sent the e-mail referred to in paragraph 12 to Adams & Adams again. Alex Carlyle claims that her belief that the first respondent had been deregistered was wrong as it was a similarly named close corporation of hers (not named) that was deregistered.
- (18) On 1 November 2007 the first respondent's attorney faxed a letter to Adams & Adams advising them of the first respondent's intention to oppose the application and requesting a postponement of the application enrolled for 2 November 2007.
- (19) On 2 November 2007 the court postponed the application to the opposed motion roll on 14 February 2008.
- (20) On 27 November 2007 the first respondent and the Trust served on Adams & Adams a notice of application for leave to intervene and joinder by the Trust and an affidavit deposed to by Alex Carlyle. This affidavit was deposed to on behalf of both the trust and the first respondent.

(21) Alex Carlyle is a trustee of the Trust and the sole member of the first respondent.

[10] The applicant's case regarding the wrongful registration of the trade mark is simple. The applicant's attorney, Mariette du Plessis, of Adams & Adams, states that on 23 November 2006 she addressed a letter to the second respondent in which she informed the second respondent that Adams & Adams acted on behalf of the applicant, that the applicant was interested in opposing the application for registration of the trade mark, and that in terms of regulation 52(1) of the trade mark regulations the applicant requested the second respondent not to issue the certificate for a period of three months from the date of expiry of the opposition term, i.e. until 28 February 2007. Ms Du Plessis also states that on the same day she addressed a letter to the first respondent advising of the applicant's interest in opposing the first respondent's trade mark application and that Adams & Adams had requested an extension of the opposition term until 28 February 2007. Ms Du Plessis attached copies of these letters to her affidavit as annexure MV2. The respondents deny that Adams & Adams sent these letters to the respondents and this is the main factual dispute in respect of this part of the case.

[11] (1) In the affidavit deposed to by Alex Carlyle in support of the Trust's application for joinder and to serve as the first

respondent's answering affidavit Alex Carlyle raised three defences to the application:

- (i) The applicant has not proved that it delivered the letter dated 23 November 2006 requesting the extension of the opposition term;
 - (ii) The applicant is not an 'interested party' for the purposes of regulation 52(1); and
 - (iii) The first respondent assigned the trade mark to the Trust which is the registered proprietor.
- (2) In support of its defence that the applicant did not deliver the letter dated 23 November 2006 to the second respondent Alex Carlyle denies that the letter was posted to the first respondent or hand delivered to the second respondent. Alex Carlyle clearly has no personal knowledge of this fact and bases the denial on telephone enquiries she and the first respondent's attorney made to the second respondent's offices on 12 November 2007 to establish whether the second respondent was in possession of the letter. However she does not disclose what the second respondent's official, Raymond Makola, told her or the attorney. She refers simply to an unsigned letter (AC 7) the first respondent received from Makola on 12 November

2007 in which he says that the trade mark 'appear to have no reference to Regulation 52(1) of the Trade Mark Act 194 of 1993'. This is obviously not confirmation that Adams & Adam's letter dated 23 November 2006 is not in the second respondent's file.

- (3) In support of its defence that the applicant is not an interested party Alex Carlyle also has no personal knowledge. After setting out her contentions as to what Regulation 52(1) requires she says simply –

‘I have never before heard of the applicant's interest, so I am unaware of any possible interest it may have in the subject mark’

Alex Carlyle's ignorance of the fact is not evidence that the applicant has no interest in the mark.

- (4) In support of its defence that the first respondent assigned the trade mark to the Trust Alex Carlyle refers to the first respondent's TM2 application form and the second respondent's official notification (annexures AC4.1 and AC4.2 to the affidavit).

[12] In the applicant's replying affidavit Ms Du Plessis deals comprehensively with these defences.

- (1) Regarding the respondents' contention that the letter dated 23 November 2006 was not delivered to the second respondent because it was not in the second respondent's file she attaches an affidavit by her associate, Dale Healy, who testifies that he attended court on 2 November 2007 and, because he suspected that the first respondent would deny that the letter dated 23 November 2006 had been delivered to the second respondent timeously, on 2 November 2007 arranged for copies of all documents in the second respondent's file pertaining to the trade mark to be made. He received the copies on 5 November 2007 and amongst the copies was a copy of Adams & Adam's letter to the second respondent dated 23 November 2006 bearing the registrar's date stamp of 24 November 2006 and a copy of Adams & Adams' letter to the first respondent dated 23 November 2006. A copy of the letter to the second respondent is annexed to the applicant's affidavit as annexure MPD12.
- (2) Regarding the respondent's contention that the applicant has no interest in the trade mark Ms Du Plessis testifies that the applicant is the proprietor internationally and in South Africa of the trade marks EXTREME MAKEOVER and EXTREME MAKEOVER: HOME EDITION which it uses in relation to reality television shows of the same name. The applicant commenced these shows in 2002 and 2003. The show, EXTREME MAKEOVER, features individuals who undergo cosmetic

surgery and weight loss programmes to improve their physical appearance. The show, EXTREME MAKEOVER: HOME EDITION, features the improvement of homes belonging to families who generally cannot afford to carry out these improvements themselves. The applicant was the first person to adopt the EXTREME MAKEOVER trade mark in the logo format (the stylised script) similar to that of the trade mark. It follows that whether or not the applicant's two trade marks are registered in South Africa or elsewhere, registration of the trade mark will be an obstacle to their use in South Africa. The applicant is therefore an interested person.

- (3) Regarding the respondents' contention that the first respondent assigned the trade mark to the Trust, Ms Du Plessis testifies that legally and factually there was no assignment of the trade mark: that there were no facts to show that the parties agreed to an assignment of the trade mark and that there was no compliance with the relevant provisions of sections 39 and 40 of the Act. She points out that section 39(7) provides that no assignment of a registered trade mark or a trade mark that is the subject of a pending application will be valid unless it is in writing and signed by or on behalf of the assignor and that it has not been alleged that the transfer of the trade mark from the first respondent to the Trust was based on a valid deed of assignment, nor is there any evidence to suggest that the mark was assigned in this way.

She states that she has examined copies of the documentation in the second respondent's file and there is no deed of assignment or similar document amongst the documents. She also points out that there was no compliance with Regulations 31-35 and there is no form CM6 or statement of case in the file.

[13] In the applicant's replying affidavit Ms Du Plessis also alleges – with reference to the relevant documents – that the first respondent had been liquidated in 2005 and that Alex Carlyle fraudulently misrepresented to the court that the first respondent still existed. Ms Du Plessis also alleges - with reference to the relevant documents – that Alex Carlyle's explanation for her erroneous belief that the first respondent had been registered was untrue. There is no similarly named close corporation with which she is connected. Ms Du Plessis further alleges that the timing of the purported assignment showed that it was done to frustrate the applicant.

[14] In the respondents' rejoinder affidavit Alex Carlyle deals with these matters.

(1) Regarding delivery of the letter dated 23 November 2006 she denies Healy's evidence that he found a copy of the letter amongst the documents in the second respondent's file 'during his search of the second respondent's file on 2 November 2007'

(something which Healy did not allege). Despite the date stamp on the letter she denies that the letter was delivered on 24 November 2006 or at all and pertinently calls into question the *bona fides* of the applicant (obviously the witness). Once again Alex Carlyle has no knowledge of the facts and relies on an affidavit by Raymond Makola. She now alleges that the letter dated 12 December 2007 (annexure AC7 to the answering affidavit) which previously was alleged to have been written on 12 November 2007 and not 12 December 2007, was written on 12 December 2006. She also now alleges that Makola sent this letter to the first respondent again on 12 November 2007. She also attaches an affidavit by Makola in which he states that he addressed the letter (annexure AC7) to the first respondent on 12 December 2006 and that the date on the letter 12 December 2007 is a typing error. It should have been dated 12 December 2006 and not 12 November 2007 as previously alleged by Alex Carlyle. Makola does not explain why the letter does not state that the Adams & Adam's letter dated 23 November 2007 was not in the second respondent's file. Although Makola says he perused the entire contents of the file before writing the letter (AC7) he does not state that Adams & Adams' letter dated 23 November 2006 was not there. He says only –

'I confirm that no opposition was noted on the file cover, nor was there any notification in the correspondence contained in the file'.

Finally Makola states that on 11 January 2008 he perused the file again (he does not explain why) and that various documents had been inserted into the file, more particularly all the letters relied on by the applicant: ie annexures MV2, MV3, MV4 and MV5 to the applicant's founding affidavit. He does not explain why he prepared the letter on 12 December 2006: why he sent the letter to the first respondent on 12 December 2006 – before there was a dispute as to whether the letter had been delivered to the second respondent: why he sent the letter to the first respondent again on 12 December 2007 or how he could remember what was in the file when he perused it on 12 December 2006. Mr Makola also points out that different coloured inks appear on the date stamps and some of the date stamps are worded date stamps, and that the wording used is not consistent. The implication is that this indicates that something irregular is going on in the second respondent's office.

- (2) In addition, Alex Carlyle alleges that in August 2007 (i.e. apparently before the notice of motion was served on the first respondent) she attended at the second respondent's offices and obtained copies of all the documents in the file relating to the trade mark, which was certified to be a complete record, and there was no trace of any kind of Adams & Adams' letter dated 23 November 2006 (MV2). Alex Carlyle then makes the

astonishing statement that she did not disclose these facts in the answering affidavit as 'she could not know whether the applicant would produce a copy of annexure MV2 that allegedly bears the second respondent's date stamp'. Alex Carlyle makes this allegation without annexing the copies of the documents certified by the second respondent's official or any proof that she paid the second respondent to make the copies. The respondents would have the court believe that this crucial evidence was deliberately withheld for the fatuous reason given.

- (3) Alex Carlyle then says that the copies included a copy of Adams & Adam's letter dated 5 February 2007 (annexure MV3) which bore the second respondent's date stamp of 26 February 2007. She confirms that this is a copy of the letter she received from Adams & Adams on 26 February 2007.
- (4) Regarding the applicant's interest in the trade mark Alex Carlyle now adopts the attitude that she will not deal with the allegations – presumably because she was advised that the applicant is attempting to make out a new case in its replying affidavit. This rings hollow where Alex Carlyle has made an 18 page affidavit dealing in considerable detail with a number of issues.
- (5) Regarding the assignment, Alex Carlyle deals selectively with the applicant's evidence. She deals with the absence of

appropriate documents relating to the assignment. She states that on 30 September 2006 on behalf of the first respondent she sold three trade marks (or pending trade marks) of which it was the proprietor to the co-trustee of the Trust, Leandro Gagiano. In support of this statement she attaches an affidavit which she says she deposed to on the same date. She states further that the fourth respondent elected that the trade marks be transferred to the Trust. She also states that once the trade mark was registered it was assigned by the first respondent to the Trust in consequence of the aforesaid alienation. She concludes by alleging that use of the wrong form to effect the assignment will not invalidate the transfer. (It is clear that Alex Carlyle misrepresents the contents of the affidavit in two respects. She states that it was deposed to on 30 September 2006 when it was clearly deposed to on 30 September 2004 and she states that it refers to the sale of pending trade marks when it clearly refers only to trade marks 'registered in the name of You Can Win-Club CC'. The only possible explanation for these misrepresentations is that they were deliberate.) It is clear that Alex Carlyle has no understanding of what is required to assign a trade mark or an application for a trade mark.

[15] Regarding the peripheral issues, Alex Carlyle's evidence is also unsatisfactory.

- (1) She claims that the first respondent was not finally wound up but makes no attempt to explain how the documents produced by the applicant could have come into existence. These include a first and final liquidation and contribution account prepared by the joint liquidators and a certificate issued by the Master of the High Court, Johannesburg, in terms of section 419(1) of the Companies Act 61 of 1973 read with section 66 of the Close Corporations Act 69 of 1984 to the effect that the close corporation has been completely wound up. She claims that the provisional winding-up order was not confirmed and that the rule was discharged and that the liquidators acted in error. She attaches a document which purports to be an affidavit by the one joint liquidator, Johannes Hendricus du Plessis, in which he states that after considering all the documents pertaining to the estate he and his co-liquidator were wrongly under the impression that a final winding up order had been granted. He also expresses the opinion that the winding up was invalid. Du Plessis' affidavit is not signed. Alex Carlyle does not allege that the Master's certificate was set aside in terms of section 420 of the Companies Act or on any other basis. The applicant's acceptance that there may not have been a final liquidation order does not affect the facts set out in the documents attached to its affidavit.

(2) With regard to the explanation for believing that the first respondent had been deregistered Alex Carlyle now gives a different explanation. The close corporation involved did not have a similar name but had conducted 'on line competitions under the name of You Can Win-Club'. She claims she discovered this at the consultation with the attorney on 31 October 2007. If this new explanation is true it should have been the explanation given in the answering affidavit. There is no explanation for the wrong explanation given.

(3) Alex Carlyle's denial of the intention to retain an interest in the trade mark and frustrate the applicant is simply a bald denial. She does not deal with the timing of the name change.

[16] In the surrejoinder the applicant has dealt fully with the suggestion that Adams & Adams fabricated the letter dated 23 November 2006. Marianna du Preez, Ms Du Plessis' secretary, confirms that she did not backdate the letter dated 23 November 2006. Pierre Jean Colyn, Adams & Adams' Information Technology Manager, who is an expert in the field, examined Ms Du Preez' computer and determined that the letter dated 23 November 2006 was last updated at 12.29 on 23 November 2006 and that the data message had not been interfered with subsequently. The letter (MV2) contains a list of partners including Eugene Eybers who passed away on 6 December 2006. Adams & Adam's letters dated 5 February 2007 and 26 February 2007

also refer to Eugene Eybers. These letterheads would probably no longer have been in use after April 2007. After that the new system used by Adams & Adams would have ensured that the name of Eugene Eybers would not appear on the letterhead. Fleurette Coetzee, the Interim Manager: Trade Marks of the Companies and Intellectual Property Registrar's Office has deposed to an affidavit. She is responsible for managing the day to day operations of the second respondent's office, including the supervision and training of the staff responsible for the recording of all the entries on the trade marks register. Ms Coetzee points out that Raymond Makola is an administrative clerk and is one of the officials responsible for the preparation and issue of trade mark registration certificates. He was not authorised to depose to the affidavit which he deposed to. She confirms that all the second respondent's officials do not use the same date stamp or the same coloured ink. She attaches a sample of the various official stamps in use. These show a variety of stamps and colours. Sometimes the name of the month is used in an abbreviated form and sometimes the number of the month is used. On perusing the second respondent's file Ms Coetzee confirms that according to the date stamp, Adams & Adams' letter dated 23 November 2006 was received on 24 November 2006 and accordingly that the trade mark registration certificate should not have been issued. She states that she has never worked for Adams & Adams. She deals comprehensively with the suggestions and insinuations of impropriety in the second respondent's office.

[17] All this is important objective evidence that the respondents' contention is incorrect.

[18] The respondents' contention regarding Adams & Adam's letter dated 23 November 2006 implies that Ms Du Plessis and/or Healy –

- (1) fabricated or backdated the letter to make it appear as if there had been a letter of that date requesting the extension in terms of Regulation 52(1);
- (2) obtained a date stamp from the second respondent's office, backdated it and then applied it to the letter dated 23 November 2006 to make it appear as if the second respondent received the letter on 24 November 2006;
- (3) had the letter stamped 24 November 2006 placed on the second respondent's file to make it appear that a request for extension had been made; and
- (4) lied under oath about the delivery of the letter.

All this would indicate a very high degree of dishonesty on the part of a partner and associate in an old and venerable firm of attorneys. On the face of it this is highly improbable. The improbability is heightened by

the follow-up letters which Ms Du Plessis wrote on 5 February 2007 and 27 February 2007. She clearly wrote those letters on the assumption that an extension had been granted already. In the letters of 27 February 2007 she refers to the first letter dated 23 November 2006 which she assumes both respondents had received. When she wrote the letters of 5 February 2007 and 27 February 2007 she obviously did not know that receipt of the letters dated 23 November 2006 would be disputed and that the applicant would be required to prove that the letters were delivered. This is again important objective evidence to show that the letter dated 23 November 2006 was not a fabrication, that it had been delivered and that Ms Du Plessis believed that the applicant had obtained the extension. As to the delivery by hand Ms Du Plessis' undisputed evidence is that Adams & Adams delivers documents to the second respondent every day.

[19] As against this mass of objective evidence and the probabilities referred to there is the dishonest, contradictory and improbable version of Alex Carlyle. She is clearly capable of misrepresenting the facts and making allegations without a proper factual foundation. She withheld crucial evidence without a proper and credible explanation and she has a clear interest in retaining control of the trade mark.

[20] In the premises it is found that the respondents' denial that Adams & Adam's letter dated 23 November 2006 was delivered to the second respondent timeously is not a real, genuine and *bona fide* dispute of

fact and it is rejected. It is accepted that Adams & Adams delivered the letter dated 23 November 2006 to the second respondent on 24 November 2006 and that the applicant became entitled to oppose the application for registration up to the end of February 2007.

[21] The relevant part of section 24 of the Act provides:

‘General power to rectify entries in register –

- (1) In the event of ... an entry wrongly made in or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply to the Court ... for the desired relief, and thereupon the Court ... may make such order for making, removing or varying the entry as it ... may deem fit.
- (2) The Court ... may in any proceedings under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register.’

[22] The applicant seeks relief which will place it back in the position it was in, in November 2006 when it requested the extension of the term to oppose the application. This requires that the register be amended by deleting –

- (1) The reference to the fact that the trade mark has been registered;

- (2) The change of name and specification of services granted by the second respondent on 6 September 2007: i.e. the name of the applicant for registration/proprietor of the trade mark will be restored to that of the first respondent and the services will be those for which registration was originally sought. Once this has been done the applicant must be allowed to proceed with opposition to the registration of the trade mark.

[23] The applicant relies in the first place on the issue of the certificate of registration by the second respondent within the three month extension period provided by regulation 52(1). The registration of the trade mark on 12 December 2006 and the issue of the registration certificate were in clear conflict with the prohibition contained in regulation 52(1). Although the registration is not a nullity it may be rectified in terms of section 24(1). See ***Home Hyper City (Pty) Ltd v Homemark (Pty) Ltd* 2003 BIP 67 (RTM)** at 70G-71A; ***Dorrington v Hugo Boss AG* 2004 BIP 34 (RTM)** at 38B-H and 40F-H. Such registration can be expunged in terms of section 24(1) of the Act – see ***Colgate Palmolive Company v Smiths Kline Beecham plc and Another* 2004 BIP 122 (TPD)** at 128E-F. For the other relief the applicant relies on the respondents' own evidence of the purported assignment. It is clear from this evidence that there was no intention to assign or transfer rights in respect of the trade mark from the first respondent to the Trust and, in any event, that there was no compliance with the formalities for

a valid assignment. There is no document signed by the transferor evidencing such an assignment. The procedure adopted was not appropriate to assignment. It was appropriate where the proprietor's name is changed without a change in the identity of the proprietor. The relief sought in respect of the register will therefore be granted.

[24] In the premises it is not necessary to consider the applicant's cause of action based on PAJA.

[25] There is no basis for an interdict against Alex Carlyle in the terms sought. It would prevent her from performing lawful acts in terms of the Act in relation to the trade mark. Interdicts are granted to prohibit unlawful acts not lawful acts.

Costs

[26] The applicant seeks a special costs order against the first, third and fourth respondents. The applicant seeks such order against the third and fourth respondents as trustees of the Trust and in their personal capacities. There is no justification for a special order for costs against the fourth respondent in his personal capacity but there is against the third and fourth respondents in their capacities as trustees of the Trust and against the third respondent in her personal capacity. The respondents' opposition to the application was vexatious and in some respects dishonest. The respondents opposed the application without

any knowledge of the relevant facts. They could not dispute that the applicant's attorney had requested the extension in terms of regulation 52(1) and they did not even attempt to deal with the evidence of the applicant's interest in the trade mark. They did not dispute it and they did not attempt to strike it out. They simply stated that the applicant was attempting to make out a new case in its replying affidavit. When this is said in a comprehensive rejoinder affidavit it carries no weight. The respondents' attempt to bypass the proceedings by the so-called 'assignment' was dishonest as were some of the statements made by Alex Carlyle on their behalf. She contradicted herself about the identity of the close corporation placed under liquidation and she deliberately misrepresented the date of the alleged assignment of the trade mark.

Order

- [27] 1. The applicant's Notice of Motion is amended in accordance with the applicant's Amended Notice of Motion.
2. It is declared that the certificate of registration issued by the second respondent to the first respondent in relation to trade mark number 2004/16148 EXTREME MAKEOVER logo in class 35 was issued in error;
3. The second respondent is directed in terms of section 24(1) of the Trade Marks Act 194 of 1993 to correct the entry in the

register of trade marks in relation to trade mark number 2004/16148 EXTREME MAKEOVER logo in class 35 to indicate that it is a pending trade mark application and not a registered trade mark and to inform the applicant that he has done so;

4. The second respondent is directed in terms of section 24(1) of the Trade Marks Act 194 of 1993 to correct the register of trade marks in relation to trade mark number 2004/16148 EXTREME MAKEOVER logo in class 35 to indicate that the applicant for registration is You Can Win-Club CC and to amend the specification to read as it did on the date on which the application to register the trade mark was filed, and to inform the applicant that he has done so;
5. It is directed that the opposition by the applicant to trade mark number 2004/16148 EXTREME MAKEOVER logo in class 35 may proceed and the applicant is afforded a period of three months from the date on which it receives confirmation from the second respondent that the last of the amendments referred to above has been effected, to oppose the registration of trade mark number 2004/16148;
6. The first respondent, Alex Carlyle in her personal capacity, and Alex Carlyle and Leandro Gagiano in their capacities as trustees of the Gagiano Family Trust are ordered to pay the costs of the

application on the scale as between attorney and own client,
jointly and severally, the one paying the others to be absolved.

B.R. SOUTHWOOD
JUDGE OF THE HIGH COURT

CASE NO: 40986/2007

HEARD ON: 18 November 2008

FOR THE APPLICANT: ADV. D.A. PREIS SC

INSTRUCTED BY: Mrs M. du Plessis of Adams & Adams

FOR THE FIRST RESPONDENT AND INTERVENING PARTY:
MR. M.W. VERSTER

INSTRUCTED BY: W.B. van Niekerk of Stock & Steyn (Litigation)
Inc.

DATE OF JUDGMENT: 4 February 2009