

NUVERT TRADING (PRIVATE) LIMITED  
Trading as Triple Tee Footwear  
versus  
SEADOONE INVESTMENTS (PRIVATE) LIMITED)

HIGH COURT OF ZIMBABWE  
TAGU J  
HARARE, 25 NOVEMBER 2019 and 30 JANUARY 2020

**Stated Case**

*P Murove*, for plaintiff  
*J Mutoono*, for defendant

TAGU J: The plaintiff issued summons against the defendant for the payment of the sum of US\$ 272 394.75 being damages suffered by the plaintiff as a result of the defendant passing off its goods as the plaintiff. Interest at the prescribed rate from the date of summons to the date of full and final payment as well as costs of suit on a legal practitioner and client scale. The facts are that since November 2010 the plaintiff has been manufacturing and selling safety shoes and boots in Zimbabwe specifically marked as Triple Tee. Around October 2011 the plaintiff and the defendant submitted Tender Applications to supply protective clothing to the Zimbabwe Electricity and Distribution Company in response to a public tender that was floated calling for manufacturers of boots and shoes to be supplied. The defendant was awarded the tender by the State Procurement Board on or about the 31<sup>st</sup> of October 2013. On or about 09<sup>th</sup> May 2014 it came to the knowledge of the plaintiff that the boots and safety shoes that were supplied by the defendant were so similar to those manufactured by the plaintiff including the logo and packaging of the plaintiff yet at no time did the plaintiff sell its product to the defendant. The plaintiff alleges that in violation of the plaintiff's then unregistered trademark and design the defendant purported to satisfy the abovementioned tender which amounted to USD 272 394.75 by passing off counterfeit safety shoes that are similar to the plaintiff's original product and furthermore packaging them in

a manner similar to that of the plaintiff which packaging also bears the plaintiff's trademark, logos and design. It said the use of the plaintiff's trademark was calculated to and succeeded in deceiving the ordinary users and purchasers of the plaintiff's goods into believing that the counterfeit and trademark infringing product and packaging –manufactured by or on behalf of the defendant were normally manufactured and supplied by the plaintiff, selling and marketing the product as its own for purposes of the bid and holding out that there is a connection with the logo of the plaintiff.

As a direct consequence of the defendant's actions in passing off the plaintiff's product, packaging, design and logo; the goods supplied in tender were accepted by the Zimbabwe Electricity Transmission and Development Company in respect of the mentioned Tender and the defendant received an amount of USD 272 394.75 for the said goods. The plaintiff therefore claimed that it has suffered damages in the sum of USD 272 394.75 as a direct consequences of the defendants passing off.

In its plea the defendant acknowledged that it did not purchase such shoes from the plaintiff and that it ordered them from China. It denied the allegations of passing off.

At the pretrial conference meeting the parties agreed that this matter can be resolved as a stated case. The agreed facts are captured as follows-

**“STATED CASE**

**A: AGREED FACTS**

It is common cause that:

- (1) The parties, following a tender floated by ZETDC (Zimbabwe Electricity and Distribution Company) both submitted tenders for supply of safety shoes.
- (2) The defendant who was the successful bidder knowingly supplied safety shoes with the logo name, style and exact details of the Plaintiff. The duly registered trademark of the Plaintiff was embossed on the boots and packaging that the Defendant used for the supply.
- (3) The boots that were supplied were specifically ordered for manufactured in China by the defendant. Upon receipt of the same, the defendant proceeded to supply the goods.
- (4) This supply was without the implied or express consent of the Plaintiff.

**B. ISSUES FOR TRIAL AS A STATED CASE**

- (1) Whether the Defendant infringed the intellectual property rights of the Plaintiff.
- (2) Whether or not the Plaintiff is entitled to damages and if so to what extent.”

From the facts it is common cause that the parties in this case following a tender floated by the Zimbabwe Electricity and Distribution Company (ZETDC) both submitted tenders for supply

of safety shoes. It is further common cause that the defendant won the bid and the plaintiff lost. It is further common cause that the defendant supplied safety shoes with the logo, name style, packaging and exact details of the plaintiff. The then unregistered trademark (now registered) of the plaintiff was embossed on the boots and packaging that the defendant used for the supply. The supply was without the express or implied consent of the plaintiff. The defendant said the boots/shoes were manufactured and packaged in China and indicated that it ordered the shoes from a company or supplier called Xiamen Jinsheng Industrial Company Limited. The questions of law which this court has to decide are whether the defendant infringed the intellectual property rights of the plaintiff or not, and if so, whether or not the plaintiff is entitled to damages and if so, the extent of the damages. The defendant alleged it did not infringe the intellectual property of the plaintiff and the plaintiff complained of “passing off.”

### **WHETHER THE DEFENDANT INFRINGED THE INTELLECTUAL PROPERTY RIGHTS OF THE PLAINTIFF**

The Trade Marks Act [*Chapter 26.04*] provides in s 6 as follows:

“6. No action for infringement of unregistered trade mark

No person shall be entitled to institute any proceedings to prevent, or to recover damages, for, the infringement of an unregistered trade mark.

Provided that nothing in this Act shall affect the right of any person, at common law, to bring an action against any person for passing off goods or services as the goods or services of another.”

My understanding of the provisions of the Act are that a person who believes his rights have been infringed can either proceed in terms of the Act if he has a registered trade mark or at common law in an action for passing off. In the present case the plaintiff’s trade mark was not registered hence is complaining of passing off at common law.

What is passing off? According to Feltoe, *A Guide to the Zimbabwean law of Delict* 3<sup>rd</sup> Edition at p 86, passing off is a form of deception which is a delict committed when a person, by means of misleading name, mark or description or otherwise, represents that his business or merchandise is that of another, so that the members of the public are misled. In other words if a person uses a business name which he is not entitled to use, so that his business is mistaken for that of another or packages his goods in such a way that they are likely to be mistaken for the

goods of another, that person can claim damages for any loss which he would have suffered as a result of the public being misled.

From the passage from Feltoe above, three elements of passing off which have been confirmed by the courts can be extracted. In the case of *Zimbabwe Gelatine (Pvt) Ltd v Cairns Foods (Pvt) Ltd* SC 130/02 [2003] ZWSC 67, the three main elements of passing off are goodwill, misrepresentation and damage. See and compare with *Dr Stella Ovuapoyerin Achinulo v Dr Jimmy Gazi and Dr E. Mucheni and Dr R Mucheni* HB 198/15; *Vivon Investments (Pvt) limited v Win-King Investments (Pvt) Limited* HH-272-16.

## **GOODWILL**

In *A Becker & Co. (Pty) Ltd v Becker & Ors* 1981 (3) SA 408 (A) at 417A the court defined goodwill as the totality of attributes that lure or entice clients or potential clients to support a particular business. In *F W Woolworths & Co. (Zimbabwe) (Pvt) Ltd v The W Store & Anor* 1998 (2) ZLR 402 (S) the court stated that the components of goodwill are many and diverse (*O, Kennedy v Smit* 1948 (2) SA 63 (C) at 66; *Jacobs v Minister of Agriculture* 1972 (4) SA 608 (W) at 624A-625F).

The Supreme Court of Appeal in the case of *Zimbabwe Gelatine (Pvt) Ltd v Cairns Foods (Pvt) Ltd supra*, held that to satisfy the element of goodwill it was enough to produce evidence relating to the sales that the company would have made and the amounts spend on advertising.

In the present case the plaintiff has been in the business of manufacturing and selling of safety shoes and boots in Zimbabwe specifically marked as Triple Tee since its inception in November 2010 amounting to 223 109. It further spent a substantial amount of money on advertising its brand to the tune of over \$ 2 665.43 annually. This proves that the plaintiff has good reputation and have a steady and reliable market share. The plaintiff therefore has managed to prove that it has more than just some goodwill or reputation.

The defendant argued that it was not aware that the plaintiff even existed. It is difficult to fathom that the defendant was not aware of the plaintiff's business given that both the plaintiff and defendant operate in the same sphere and participated in the same tender. In my view the defendant was aware of the plaintiff, its business and logos which the plaintiff subsequently registered as its trademark. The first element has thus been satisfied.

## **MISREPRESENTATION**

The second element of passing off is misrepresentation by another party. In *Caterham Car Sales & Coachworks Ltd v Birkin Car (Pty) Ltd* 1998 (3) SA 938 (SCA) at 947E-948B the court held that the essence of an action of passing 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 therewith (*Capital Estate & General Agencies (Pty) Ltd & Ors v Holiday Inns & Inc & Ors* 1977 (2) SA 916 (A) at 929 C-D. In *Woolworth v The W Store (supra)* the court in dealing with the issue of misrepresentation stated that the question that needs to be asked is whether there existed a reasonable likelihood of the public being deceived or confused into so believing. Some of the factors to be taken into account are whether the parties conduct the same business or trade, they move in the same or different spheres or classes of business within that trade and the quality, class and price of merchandise.

In this case the plaintiff is in the business of manufacturing and supplying of safety shoes. The defendant is also in the business of supplying safety shoes. Both parties operate in the same spheres. This is proven by the fact that both parties participated in a tender that was floated by the Zimbabwe Electricity and Distribution Company around October 2011. The defendant having been awarded the tender by the State Procurement Board went on to supply boots and safety shoes that were so similar to those manufactured by the plaintiff. The boots and safety shoes had the same logo, packaging and website of the plaintiff yet at no time did the plaintiff sell the said shoes to the defendant. If it is indeed true that the defendant ordered the said shoes from China, then the only logical conclusion is that the defendant caused the shoes to be manufactured to its specifications in China using the then unregistered logo, packaging and website of the plaintiff thus passing off. It could not have been a coincidence that a company in China manufactures, packages, and distributes shoes with a similar logo, website and name as a company in Zimbabwe. It could have been a different story if the defendant had at any stage purchased similar shoes from the plaintiff.

## **DAMAGES**

The last requirement of passing off is the issue of damages. As a direct consequence of the defendant's actions in passing off the plaintiff's product, packaging, design and logo the goods supplied in tender were accepted by the Zimbabwe Electricity and Development Company in respect of the mentioned Tender and the defendant received an amount of USD 272 394.75. If the

defendant had not passed off the plaintiff's product, the plaintiff would have won the Tender. The plaintiff therefore has suffered damages in the sum of \$272 394.75 as a direct consequence of the defendant's passing off. The plaintiff has managed to prove its case on a balance of probabilities.

IN THE RESULT I FIND THAT-

1. The defendant infringed the intellectual property rights of the plaintiff and
2. That as a result the plaintiff is entitled to damages to the tune of \$272 394.75.

*Scanlen & Holderness*, plaintiff's legal practitioners  
*Chadyiwa & Associates*, defendant's legal practitioners.