

UNILEVER P.L.C.	First Applicant
and	
UNILEVER SOUTH EAST AFRICA (PVT) LTD	Second applicant
and	
VIMCO (PVT) LTD	First Respondent
and	
REGISTRAR OF COMPANIES	Second Respondent

HIGH COURT OF ZIMBABWE
OMERJEE J
HARARE, 28th October 2004 and 3 November 2004

Opposed Application

Advocate *C. Andersen S.C.*, for applicants
Mr *P. Paul*, for first respondent

OMERJEE J: The first applicant a company duly incorporated according to the laws of the United Kingdom and having it's principal place of business at Port Sunlight Measeyside England. It manufactures and sells a wide range of products including home care products, personal care products, food and a range of industrial products such as detergents. Its operations are worldwide and outside the United Kingdom, are carried out through subsidiaries. The second applicant is a subsidiary of the first applicant and is a duly registered Zimbabwean company. The latter manufactures and sells in Zimbabwe, the same range of products as the first applicant. The second applicant applies to its manufactured products, the trade marks of the first applicant, in terms of agreements between the two parties. The second applicant commenced business in Southern Rhodesia (as it then was) in 1947 trading under the name Lever Brothers Southern Rhodesia (Pvt) Limited. It adopted the name Lever

Brothers (Pvt) Limited in 1963 and in 2003, changed its name to Unilever South East Africa (Pvt) Limited.

The first respondent is Vimco (Pvt) Limited a company duly registered according to the laws of Zimbabwe. It was incorporated on 23rd October 1985 with a view to carrying on the business of general dealers importers and exporters of laboratory and clinical requirements and commodities which may be bought and sold. The second respondent is cited in these proceedings as an interested party in view of the second applicant's application to this court in terms of section 24(13) of the Companies Act [*Chapter 24:03*].

The applicants seek an order in terms of the draft order as follows:

1. Interdicting the first respondent from infringing first applicant's registered trade mark No. 615/58 VIM in class 3 and trade mark No. 1114/07 VIM in class 3.
2. Interdicting the first respondent from "passing off" its goods by the use of the trade mark VIMCO.
3. That the first respondent changes its corporate name.
4. That the first respondent pays the costs of this application. Since the applicants' case is that "VIMCO" so nearly resembles its trade mark so as to be likely to deceive or cause confusion, it is paragraph (a) of section 8 that would be applicable.

This application is opposed by the first respondent.

The second applicant contends that the first respondent's use of the trade mark "VIMCO" is so similar to the registered trade mark "VIM" as to

constitute a violation of the second applicant's rights in terms of section 8 of the Trade Marks Act [*Chapter 26:04*]. Those rights are infringed by

- "(a) unauthorised use as a trade mark in relation to goods or services in respect of which the trade mark is registered, of a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion; or
- (b) unauthorised use in the course of trade, otherwise than as a trade mark, of a mark identical with or so nearly resembling it as to be likely to deceive or cause confusion if such use is -
 - (i) in relation to or in connection with goods or services in respect of which the trade mark is registered; and
 - (ii) likely to cause injury or prejudice to the proprietor of the trade mark."

Since the applicant's case is that "VIMCO" so nearly resembles its trade mark so as to be likely to deceive or cause confusion, it is paragraph (a) of section 8(1) that would be applicable.

In *Kellog Co v Cairns Foods Ltd* 1997(2) ZLR 230(s) at 235 G-H McNALLY JA dealt with the interpretation of section 8 and said:

"It seems to me that we are plainly concerned with subs (a). The phrase "use as a trade mark" is one that has caused difficulty. "Trade mark" is defined in the Act, in s2(1). So "use as a trade mark" means "use as a trade mark as defined."
In order to be a trade mark, a mark must be used, in relation to goods (or services), for two purposes, and I summarise:
1. to indicate a trade connection between the goods and the person having the right to use the mark and..."

The first applicant is the registered proprietor of trade mark number 615/58 VIM in class 3. The mark was registered with effect from 19 May 1964 and was assigned by deed of assignment dated 26 June 1963 to the first applicant. The first applicant is also the registered proprietor of trade mark No. 1114/67 VIM in class 3 in respect of the following goods:-

"Common soap and detergents. Cleaning, polishing, scouring and abrasive preparations included in class 3." The mark was registered with effect from 9 November 1967.

The second applicant was appointed the sole registered user in Zimbabwe of both these registered trade marks on 2 October 1985. It is not in dispute that the word "VIM" is registered as a trade mark name in relation to the product in question. The second applicant is the only entity in Zimbabwe authorised to use the registered trade mark "VIM". The first applicant applies the trade mark "VIM" to cleansing, scouring and abrasive preparations. This product was first manufactured and sold in Zimbabwe by the second applicant in 1969. The product was, and continues to be, advertised using the phrase "leaves nothing but the sparkle".

In or about 1999 the second applicant became aware that the first respondent was marketing an abrasive household cleaner under the trade mark "VIMCO" (see annexure VZ7 at page 106). The second applicant's product marketed under the trade mark "VIM" is as depicted in the photograph (See annexure V28 at page 107). The two products essentially perform the same function. The first respondent's defence is two fold: Firstly, the packaging is different; secondly, the company VIMCO (Pvt) Limited was incorporated without reference to the applicants product "VIM".

The first respondent contends that the trade mark "VIMCO" on its label is intended to indicate that the product is produced by the first respondent. It further contends that the trade mark "VIMCO" is not intended to be used to identify the first respondent's scouring powder but rather to distinguish its

product from other scouring powders on the market. It can be stated that in actions relating to the infringement of trade mark, the inquiry relates to the registered trade mark of the respective parties and as to whether the trade marks concerned are such as to be likely to deceive or to cause confusion, thus leading to an infringement.

It is apparent that the mark "VIMCO" appears three times on the first respondent's label and only once does it appear together with the words "(Pvt) Limited." If the mark "VIMCO" is being used on the label merely to indicate that the product is that of the first respondent, it would not appear necessary to have the mark "VIMCO" appearing prominently at the top of the label, as the name of the company and its contact details appear at the bottom of the label. Furthermore, the trade mark "VIMCO" is being used by the first respondent in respect of scouring powder. Apart from the mark "VIMCO" appearing at the top of the label, there is no other feature which is descriptive of this product of the first respondent and which would sufficiently differentiate its product from the "VIM" product produced by the second applicant. The first respondent's label does not contain any particularly distinctive features which the public would use to identify that product and set it apart from the second applicants "VIM" product. Both products consists of scouring powder and both are used for the same purpose. Both are sold at similar outlets in similar containers to similar customers.

It is the view of this court that the trade mark "VIMCO" used by first respondent in the manner depicted on its label for scouring powder, so nearly resembles the second applicant's registered trade mark "VIM", as to be likely to

deceive or cause confusion. This court finds that an infringement of the second applicant's registered trade mark has been established. An appropriate order will accordingly be issued.

The second applicant further contends that the first respondent has "passed off" its product, being scouring powder, sold under the mark "VIMCO" as being the product of the second applicant. In a matter where relief is sought on the grounds of "passing off", it is settled that a party has to establish a goodwill or reputation acquired or associated with it in connection with the mark or "get-up" copied by another entity. In *F.W. Woolworths & CO. (Zimbabwe) Pvt Limited v The W Store and Anor* 1998(2) ZLR 402 (S) at 404D-405B GUBBAY CJ, as he then was, stated as follows:

"These principles were lucidly identified, with reference to leading authorities, in *Caterham Car Sales and Coachworks Ltd v Birkin Cars (Pty) Ltd* 1998(3) SA 938 (SCA) where, at 947E-948B, HARMS J 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 therewith (*Capital Estate & General Agencies (Pty) Ltd & Ors v Holiday Inns Inc & Ors* 1977(2) SA 916(A) at 929C-D. In other words, it protects against deception as to a trade source or to a business connection (*Reckitt & Colman SA (Pty) Ltd v SC Johnson & Son SA (Pty) Ltd* 1993(2) SA 307 (A) at 315B). Misrepresentations of this kind can be committed only in relation to a business that has goodwill or a drawing power (Afrikaans: 'werfkrag'). Goodwill is the totality of attributes that lure or entice clients or potential clients to support a particular business (*cf A Becker & Co (Pty) v Becker & Ors* 1981 (3) SA 406 (A) at 417A). 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). Well recognised are the locality and the personality of the driving force behind the business (*ibid*), business licences (*Receiver of Revenue, Cape v Cavanagh* 1912 AD 459), agreements such as restraints of trade (*Botha & anor v Carapax Shadeports (Pty) Ltd* 1992 (1) SA 202 (A) at 211H-I) and reputation. 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 (*Hoechst Pharmaceuticals (Pty) Ltd v The Beauty Box (Pty) Ltd (in liquidation) & Anor* 1987 (2) SA 600 (A) at 613F-G; *Brian Boswell Circus (Pty) Ltd & Anor v Boswell-Wilkie Circus (Pty) Ltd* 1985 (4) SA 466 (A) at 479D; *Williams t/a Jennifer Williams & Associates & Anor v Life-Line Southern Transvaal* 1996 (3) SA 408 (A) at 419A-B, 420B). Misrepresentations concerning other components of goodwill are protected by other causes of action such as claims for injurious falsehoods."

I am in respectful agreement with both HARMS JA and GILLESPIE J (see at 103B-104B) that proof of reputation is a prerequisite to a successful passing-off action. Indeed, in this jurisdiction, such a requirement was acknowledged some time ago in *Pick-'n-Pay Stores Ltd v Pick-'n-Pay Superette (Pvt) Ltd* 1973 (1) RLR 244 (G) at 246 *in fine*-247A; *Bon Marche` (Pvt) Ltd v Brazier & Anor* 1984 (2) ZLR 50 (S) at 55C-E and 60F-G; *Saybrook (1978)(Pvt) Ltd & Anor v Girdlestone* 1986 (2) ZLR (S) at 189A; although the point of its essentiality was left open in *Kellogg Co v Cairns Foods Ltd* 1997 (2) ZLR 230 (S) at 234G-H as being unnecessary for the resolution of the appeal."

The issue for determination is whether or not the applicant has established that the mark "VIM", in relation to scouring powder, had become distinctive and associated with the applicant.

On the papers filled of record it is not in issue that the applicants have produced and marketed this scouring powder under the mark "VIM" since 1967. It is not in issue that the second applicant's product is well known amongst members of the general public. It has been sold in this country continuously for some 37 years. Sales of the applicant's product "VIM" have been consistent and have increased in volume over the years. From the aforementioned factors, this court is therefore satisfied that goodwill attaches to the product "VIM" manufactured and sold by the second applicant.

It is necessary now to determine whether or not the first respondent is "passing-off" its product "VIMCO" as that of the second applicant. In other words has the first respondent misrepresented that its product was, or is, associated with the applicant? The onus in this regard lies on the second

applicant. The products the subject of the action for "passing off" consist of scouring powder, both of which are used for a similar purpose. Those products of the second applicant and first respondent are marketed at similar outlets and displayed on shelves close to each other, for sale to a wide cross-section of customers. A prominent feature of the product is the trade mark "VIM", in the case of second applicant, and "VIMCO", in the case of the first respondent. It is not disputed that this product is a commonly used product, purchased by a wide cross-section of consumers in this country. The first respondent's label identifies its product as "VIMCO". There are no other particularly distinctive features by which the general public would identify it and distinguish it from the applicant's "VIM" product. The potential for confusion would appear to be greater when the product, as in this case, is of a common nature, purchased by the average ordinary consumer, as opposed to being a class of product that would attract, as its buyer, a select and discerning category of purchaser.

It is accepted that there are some differences in the "get up" of both products. But that factor on its own is of little consequence, when considered against the fact that both products consist of scouring powder purchased by a broad based clientele. It is the considered view of this court that there exists a reasonable likelihood of confusion as between the product of the second applicant and that of the first respondent. The applicant has succeeded in establishing a "passing off" by the first respondent in regard to the product in question.

It must also be emphasised that it cannot be the function of the law to insulate a trader from legitimate competition or to stifle legitimate competition

as between competitors. The aim is to achieve a balance between players seeking a share of the consumer or customer base. On the one hand a person has a right to engage in business and to aspire to enhance his business. On the other hand, a trader ought to be afforded protection by the law in regard to his business goodwill and reputation, where such is being undermined by a rival or competitor.

The "passing off" action is recognized at law as affording protection in instances where the actions by a rival are calculated to cause confusion between his goods or business and that of another party where the latter has acquired a reputation or goodwill in respect of certain goods.

The second applicant also, seeks an order that the first respondent change its name in terms of s 24(13) of the Companies Act [*Chapter 24:03*], as its name "VIMCO" is likely to mislead the public as being the manufacturer of second applicant's product "VIM".

The essence of the second applicant's case is that the corporate name of the second respondent is being used to market its product "VIMCO", which clearly resembles the applicant's product "VIM".

In the view of this court, the evidence establishes firstly that there has been an infringement of the applicant's trade mark "VIM" and secondly, a "passing off" by first respondent arising from the use of the trade name "VIMCO". That being so, an appropriate order for such infringement to cease will must be issued. However, it does not follow from that that automatically the court should order that the first respondent must change its corporate name.

The second respondent manufactures and markets a variety of other products under its corporate name. Those products are not the subject of any legal dispute. That being so, it is the view of this court that it would suffice to issue orders as to the cessation of that infringement without having to require the second respondent to alter its registered name.

The first respondent raises as a defence, the issue of prescription as the alleged infringement occurred more than three years before the institution of these proceedings. That contention is not well founded. The infringements are of a continuing nature and would only become prescribed three years after their cessation. Accordingly, the defence of prescription can not assist the second respondent. The latter further contends that by delaying the institution of proceedings the applicants have waived their rights or are estopped from asserting or enforcing their rights. Mere delay, without anything further, does not give rise to waiver or estoppel. In *Bako & Anor v Bulawayo City Council* 1996(1) ZLR 232(SC) at 238 B GUBBAY CJ, as he then was, said -

"It has been stated, correctly in my opinion, that delay of itself and without more can never deprive a party of a contractual right, except by prescription."

The learned Chief Justice then went on at 238 D to say that:-

"Obviously the delay in enforcing the right to recite from a contract could lead to the other party assuming that the right has been abandoned and in acting upon that assumption to his prejudice."

In the case of a right conferred on a party by an Act of Parliament, such as the Trade Marks Act, the mere failure to enforce a right cannot be regarded as a waiver of such rights. No party can be estopped from enforcing rights conferred on him by way of an Act.

In the result there will be an order in terms of the Draft Order as amended as follows:

- "1. First respondent is interdicted and restrained from infringing first applicant's registered trade mark nos. 615/58 VIM and 1114/67 VIM in class 3 or any other mark which so nearly resembles 615/58 VIM or 1114/67 VIM so as to be likely to deceive or cause confusion in relation to any of the goods for which the first applicant's trade marks are registered.
2. First respondent is interdicted and restrained from using the trade mark VIMCO in relation to any of that goods referred to in paragraph one of this order and thereby from passing off such goods as being connected with or related to those of the first and second applicants in relation to any of the goods referred to in paragraph one of this order.
3. First respondent shall cease all use of the trade mark VIMCO or any other trade mark, name, or style which is confusingly or deceptively similar to the first applicant's registered trade mark nos. 615/58 VIM and 1114/67 VIM in relation to any goods referred to in paragraph one of this order
4. The costs of this application shall be borne by the first respondent.