

## "PASSING OFF" IN THE SOUTH AFRICAN LAW

Written by Ron Wheeldon

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The South African trade mark law is derived from and closely related to the English law but, when applying doctrines of common law, many South Africans overlook the fact that the English tort of "passing off" is not identical to the wrong of "passing off" in the South African law which is a *genus* of the delict of unlawful competition (in English law, a separate tort). This is because, while the English common law recognises a number of separate well-defined torts as specific wrongs, the South African common law is Roman Dutch and does not recognise these torts. The South African common law of civil wrongs is known as delict. Most actions in delict are based on the developments of the Roman *lex aquilia*. The basis of this is threefold:

1. an unlawful act;
2. committed deliberately or negligently (*culpa* or *dolus*);
3. which causes or is likely to cause patrimonial loss.

In the case of *Dunn & Bradstreet (Pty) Limited v SA Merchants Combined Credit Bureau (Cape) (Pty) Limited 1968 (1) SA 209, Corbett J (as he then was)* stated:

"... the broad and ample basis of the *lex aquilia* is available in this field for the recognition of rights of action even where there is no direct precedent in our law ."

The South African law and the English law are agreed that rival traders may not mislead the public by "passing-off", or in other words making misrepresentations that the goods of the one are the goods of the other, but the analysis used to reach the conclusion differs.

As explained in the *Schultz v Butt* case (1986 (3) SA 667 Act 678) by Nicholas AJA:

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*"In order to succeed in an action based on unfair competition, the plaintiff must establish all the requisites of aquillian liability, including proof that the defendant has committed a wrongful act. In such a case, the unlawfulness which is a requisite of aquillian liability may fall into a category of clearly recognised illegality, ... namely trading in contravention of an express statutory prohibition; the making of fraudulent misrepresentations by the rival trader as to his own business; the passing-off by a rival trader of his goods or business as being that of his competitor; the publication by the rival trader of injurious falsehoods concerning his competitor's business; and the employment of physical assaults and intimidation designed to prevent a competitor from pursuing his trade. But it is not limited to unlawfulness of that kind. "*

The statement makes it clear that the South African law is not as restricted as the English law which, latterly, has been seeking to extend definitions of the tort of passing-off beyond all recognition, and beyond logical bounds, in order to offer a remedy for actions which are felt to be wrongful, but which do not fall within the classic formulation of the tort. In the South African law, confusion alone is not sufficient. In *Hoescht Pharmaceuticals (Pty) Ltd v The Beauty Box (Pty) Ltd (in liquidation) 1987 (2) SA 600* Nicholas AJA stated:

*"Confusion per se does not give rise to an action for passing-off. It does so only where it is the result of a misrepresentation by the defendant that the goods which he offers are those of the plaintiff or are connected with the plaintiff. That has not been shown. The cause of any confusion is probably to be found elsewhere ."*

The authors of Webster & Page (4TH Ed) explain this by stating:

*"Confusion may arise from the mere fact that the parties are conducting the same trade and using descriptive titles of which neither can claim any legitimate monopoly ."*

The authors go on to quote Van Reenen J in *Kellogg Co v Bokomo Co-operative Limited* in pointing out that even where the trade marks used by the competitors are acknowledged to be confusingly similar, at common law there would be no delict of passing-off in the absence of proof of deception. This is in conflict with the position in *Capital Estate and General Agencies (Pty) Limited v Holiday Inns, Inc*, where, as the authors point out, "likelihood of confusion" is sufficient to give rise to passing-off proceedings. It is clear, I think, that Van Reenen J overstated the situation but the fact is that a certain amount of copying is legitimate and lawful.

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Thus, while at the English common law it is conceivable that a passing-off action will lie where there is an innocent misrepresentation that nevertheless results in confusion, it will not lie in the Roman Dutch common law because an innocent misrepresentation – unless demonstrably negligent – can never be unlawful.