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Onregmatige mededinging Unlawful competition

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die Departement Privaatreg van die
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Voorwoord

Die Departement Privaatreg van die Universiteit van Suid-Afrika het op 3 November 1989 'n seminar oor die onderwerp *Onregmatige mededinging/Unlawful competition* aangebied. Die seminar het wye belangstelling en reaksie — van regters, akademië, advokate, prokureurs, regsadviseurs en sakelui — ontlok en is baie goed bygewoon.

Die onderwerpe van die referate is gekies ten einde die gebied van onregmatige mededinging — wat sekerlik een van die mees dinamiese afdelings van die Suid-Afrikaanse deliktereg is — so omvattend moontlik binne die beperkte tydsbestek te dek. Daarom is gepoog om aandag te gee aan sowel die algemene aanspreeklikheidsvereistes as besondere verskyningsvorme van onregmatige mededinging wat unieke probleme oplewer of 'n interessante ontwikkeling ondergaan het.

Die keuse van die sprekers is gemaak op grond van hulle kennis, deskundigheid of praktiese ervaring van die besondere onderwerp: doktor DJ de Villiers, wat uit hoofde van sy posisie regeringsbeleid kon uitspel; appèlregter HJO van Heerden, wat in sy uitmuntende en bekende doktorale proefskrif, *Grondslae van die Mededingingsreg* (1961), die fondament vir die wetenskaplike en praktiese ontplooiing van die reg aangaande onregmatige mededinging in Suid-Afrika gelê het; professor PQR Boberg, wat onder andere outeur is van *The Law of Delict I: Aquilian Liability* (1984) — 'n mini-biblioteek oor dié vakgebied — en alom hier te lande beskou word as een van die leidende kenners van die deliktereg; regter NS Page, wat welbekend is vir sy deskundigheid op die gebied van die handelsmerke- en mededingingsreg, soos weerspieël word in die gesaghebbende werk van Webster en Page *South African Law of Trade Marks and Trade Names* (1986), wat tans sy 3de uitgawe beleef; professor BR Rutherford, wat vir baie jare reeds handelsmerke- en mededingingsreg doseer en sodoende 'n diepgaande kennis van hierdie regsgebiede verwerf het; meneer JC Knobel, wat navorsing vir 'n doktorale proefskrif oor die reg op die handelsgeheim doen; professor ED du Plessis, wat as 'n deskundige van die outeurs- en patentreg erkenning geniet en ook by die doseer van mededingingsreg betrokke is; doktor OH Dean, wat verbonde is aan 'n prokureursfirma wat hom op die gebied van die immaterieel-goederereg toelê; en doktor PEJ Brooks, 'n voormalige professor van handelsreg, wat tans voorsitter van die Raad op Mededinging is.

Ek is daarvan oortuig dat elkeen wat in die reg aangaande onregmatige mededinging

belangstel, baat sal vind by die publikasie van die referate wat gelewer is en die bespreking wat tydens die seminaar plaasgevind het. Ek is trouens van mening dat hierdie bundel onontbeerlik is vir elkeen wat met hierdie regsgebied — akademies of prakties — gemoeid is.

Ten slotte word erkenning verleen aan die Beheerkomitee van die Getrouheidsfonds vir Prokureurs van die Regsfakulteit van die Universiteit van Suid-Afrika, vir die finansiële steun wat die publikasie van hierdie bundel moontlik gemaak het. Dank word ook betuig aan professore JM Potgieter, A van Aswegen en meneer JC Knobel, almal van die Departement Privaatreg van die Universiteit van Suid-Afrika, vir hulle bystand met die proeflees van die bundel.

J NEETHLING

Pretoria, November 1989

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1 Die kleinsakeman en onregmatige mededinging

DJ DE VILLIERS*

Ek het met belangstelling kennis geneem dat beide privaatregtelike en publiekregtelike fasette van mededinging tydens hierdie seminaar bespreek sal word. My eie ervaring lê uitsluitlik op laasgenoemde terrein. Waar ek uitgenooi is om ter inleiding van vandag se verrigtinge 'n paar woorde te sê oor die kleinsakeman en onregmatige mededinging, sal ek my dus toespits op die posisie van die kleinsakeman in die publiekregtelike mededingingsmilieu.

Die uitgangspunt dat kleinsakeondernemings 'n belangrike rol in die land se ekonomie speel, word sonder voorbehoud deur die Suid-Afrikaanse regering aanvaar. Daar is goeie rede hiervoor. In 'n artikel wat in die *Finance Week* van 14 – 20 September 1989 verskyn het, wys professor Piet Steyn van Unisa byvoorbeeld daarop dat klein ondernemings, dit wil sê besighede met 20 of minder werknemers, verantwoordelik is vir meer as 70 persent van die nuwe werkseleenthede wat jaarliks in die Republiek geskep word. Dit is derhalwe nie vreemd nie dat die Regering organisasies soos die Kleinsakeontwikkelingskorporasie aktief bystaan. Die minder skouspelagtige privatiseringsinisiatiewe van die Regering is ook daarop gemik om die verskaffing van sekere dienste wat tradisioneel deur die staat gelewer is, in 'n groot mate en sover prakties haalbaar in die hande van die klein entrepreneur te plaas.

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So byvoorbeeld het die Regering besluit om spysenierings-, skoonmaak- en tuinboukundige dienste wat die Staat tans lewer, te privaatiseer. Dieselfde geld ten opsigte van staatskwekerie. Hoewel nie so skouspelagtig nie, is hierdie privatiseringsprogram vir die kleinsakeman van betekenis. As in gedagte gehou word dat daar tans 38 000 werknemers by hierdie dienste betrokke is, kan die omvang van die moontlikhede vir die klein entrepreneur begryp word. Ten einde egter te verhoed dat werknemers links en regs afgedank word, sal die privatiseringsaksie oor 'n tyd voltrek word. Die Kleinsakeontwikkelings-korporasie sal ook 'n belangrike rol speel om kleiner ondernemings op die been te bring, van advies te bedien en so ver moontlik te ondersteun. Hierdie privatiseringsbesluit is waarskynlik een van die belangrikste geleenthede vir die ontwikkeling van kleinsake-ondernemings in die land. Dit is ook 'n goeie voorbeeld van waar werknemers self 'n onderneming kan stig om uiteindelik hierdie dienste aan die Staat te lewer.

Small businesses are, of course, also an important factor in the competitive process. One American commentator has in fact stated that it is hard to imagine how an economic system could be competitive without having a substantial number of small business enterprises in the various industries.¹

If a substantial number of small enterprises in all sectors of the economy is indeed an acceptable yardstick by which the degree of competitiveness in the country as a whole can be measured, then one is constrained to admit that, on account of the high levels of economic concentration and corporate conglomeration that exist in the Republic, we have a situation that is not conducive to effective competition on a grand scale.

An imperfect competitive environment can clearly not be equated with a competitive environment where unlawful behaviour predominates. However, it does mean that where a situation of imperfect competition is found to exist, it is incumbent upon those who are in a position to do something about it, to ensure that the situation does not deteriorate to the extent that unlawful competition becomes the order of the day. The Maintenance and Promotion of Competition Act 96 of 1979 and rules promulgated pursuant to the act are intended to counter such tendencies.

¹ Mueller "Small business and big monopoly: the Galbraithian socialist imperative" (1978 - 79) 10 *Antitrust Law and Econ Rev* 17.

In South Africa we have a dual approach to the issue of unlawful competition, namely:

- (a) the *ad hoc* approach, in terms of which specific restrictive practices, acquisitions and monopolistic situations, as the case may be, are investigated and assessed on an individual basis and then, if deemed necessary, declared unlawful; and,
- (b) a system of *per se* prohibitions of general application. The latter category encompasses the prohibitions on resale price maintenance, horizontal price collusion, horizontal collusion on conditions of supply, horizontal collusion on market sharing and collusive tendering.²

South African competition law does not afford small businesses any preferential treatment as far as safeguarding them against the threat of actual or potential unlawful competition is concerned. In the main they must be prepared to take the initiative where it appears that the rules governing competition are flouted to their disadvantage. Small businesses can accept that if their case has merit relief will be forthcoming. In this regard it may be mentioned that in June this year, following an investigation by the Competition Board, I declared certain restrictive practices which a major company was perpetrating against one of its subsidiary's competitors to be unlawful.³

One is aware that small businesses are often reluctant to lodge complaints of anticompetitive behaviour with the Competition Board or to draw the attention of the police to contraventions of the *per se* prohibitions because they fear reprisals which could make life very difficult for them or even, in extreme cases, put them out of business. Although they may not find this entirely reassuring, section 18 of the act makes it an offence for any supplier of any commodity to fail or refuse to supply the commodity under the usual conditions of supply to any person whom the supplier knows has provided the Competition Board or a court of law with information or evidence relating to matters falling within the purview of the act.

Perhaps of even greater concern is the fact that ever since the *per se* prohibition of certain collusive practices came into force, that is on 2 May 1986, there has not been a single conviction and, indeed, very few prosecutions in terms of that particular notice. If this state of affairs is an adverse reflec-

2 GN 801 *Government Gazette* 10211 of 1986-05-02.

3 GN 1302 *Government Gazette* 11964 of 1989-06-23.

tion of the efficacy of the prevailing measures to curb unlawful competition, then clearly a careful reappraisal of the matter needs to be made.

Ek wil nou terugkeer na die gedagte dat 'n gesonde, ontwikkelende kleinsakesektor 'n belangrike stimulus vir mededinging is. Deelname in die ekonomie moet vanselfsprekend voorafgegaan word deur toetrede. Alle voornemende entrepreneurs, in watter land ook al, word met verskeie faktore (waarvan die aard en omvang verskil) gekonfronteer wat toetrede tot die mark vir hulle bemoeilik. Wanneer sodanige beperkings op toetrede die gevolg is van onwettige mededinging-ondermynende gedrag deur ondernemings wat reeds handel dryf, kan die reëls van die mededingingsreg aangewend word om die situasie te beredder.⁴ Deregulering kan hier ook 'n belangrike rol speel. Een van die hoofdoelwitte van die Regering se dereguleringsbeleid is trouens daarop gemik om toetrede tot die Suid-Afrikaanse ekonomie vir veral klein ondernemings te vergemaklik. 'n Goeie voorbeeld van die praktiese implementering van hierdie beleid is die Wet op Beslote Korporasies 69 van 1984 wat voorsiening maak vir 'n eiesoortige tipe regs persoon wat baie gewild onder kleinsake-ondernemings is.

Soos u weet het die Konsepwetsontwerp op Besighede⁵ en die Konsepproklamasie wat in die *Staatskoerant* van 15 September 1989 verskyn het,⁶ albei te make met die ruim afskaffing van lisensieringsvereistes vir alle besighede. Dit is egter by uitstek die klein onderneming wat by die beoogde verwydering van daardie spesifieke toetredingsvereiste sal baat wanneer die maatreël in werking gestel word.

Sommige kleinsakemanne beweer dat hulle mededingendheid en selfs die voortbestaan van hulle ondernemings deur 'n te gesofistikeerde en hoofsaaklik ongedifferensieerde stelsel van arbeidswetgewing bedreig word. Ten einde die meriete van hierdie bewerings behoorlik onder die loep te neem en die insette van ander belanghebbende partye te verkry, het die Nasionale Mannekrag Kommissie onlangs aangekondig dat hy ondersoek instel na die invloed van tersaaklike arbeidswetgewing op die kleinsakesektor.⁷

4 Bain *Barriers to New Competition* (1956); Waterson "On the definition and meaning of barriers to entry" (1981) 26 *Antitrust Bulletin* 521.

5 GK 228 *Staatskoerant* 11813 van 1989-04-07.

6 GK 1151 *Staatskoerant* 12092 van 1989-09-15.

7 GK 1312 *Staatskoerant* 12131 van 1989-10-13.

Hierdie paar voorbeelde getuig van die Regering se erns om die mededingendheid van firmas te bevorder. Ons aanvaar nogtans dat heelwat besighede nog gebuk gaan onder bepalings wat oor die jare op die wetboek verskyn het en wat, indien hulle nie in statutêre gewaad geklee was nie, as beperkende en dus potensieel onwettige praktyke beskou sou kon word. Ook hier sal gepoog moet word om, vir sover hulle nie die openbare belang dien nie, die kwellende bepalings doelmatig te verwyder.

Dit is vir my 'n plesier om met hierdie paar woorde die verrigtinge aan die gang te sit. Ek vertrou dat julle 'n baie geslaagde seminaar oor 'n moeilike onderwerp sal hou.

Dankie.

2

Die mededingingsprinsiep en die *boni mores* as onregmatigheidsnorme by onregmatige mededinging

HJO VAN HEERDEN*

Aan die einde van die vyftigerjare het ek as entoesiastiese maar onervare jong juris riglyne probeer neerlê vir die afbakening van onregmatige mededinging. Hoewel ek nie die nut van 'n soepele norm soos die sorgvuldigheidsformule van die Nederlandse reg en die goeie sedes-norm van die Duitse reg betwis het nie, was my beswaar daarteen dat so 'n kriterium nie rasonele gesigspunte bied vir 'n regsoordeel oor die al of nie onregmatigheid van 'n mededingings-handeling nie. Ek het dus aan die hand van die mededingingsprinsiep, waaroor later meer, getrag om 'n meer konkrete afgrensingsmaatstaf te formuleer.

Na dertig jaar het ek 'n ietwat veranderde siening. Regsekerheid vereis natuurlik dat regsnorme sover moontlik 'n konkrete inhoud moet hê sodat hulle by wyse van 'n logiese denkproses toegepas kan word. Ongelukkig leer die ondervinding dat die lewenswerklikheid hom nie so maklik laat beheers nie. Menige juris wat 'n konkrete norm as 'n "cure all" vir 'n bepaalde regsgebied voorgestaan het, moes dan ook later tot die besef kom dat die norm

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nie 'n antwoord bied vir al die uiteenlopende feitekomplekse wat hul in die praktyk voordoen nie. Ek betwyfel vandag dus of 'n regstelsel sonder 'n aantal oorheersende, soepele kriteria kan klaarkom. 'n Mens hoef, wat ons reg betref, slegs te dink aan die redelikeheidsformule waarvolgens nalatigheid in die straf- en deliktereg bepaal word, en die wesentlikheidsbegrip waarvolgens soms vasgestel moet word of die onskuldige party weens die ander party se kontrakbreuk uit hul ooreenkoms mag terugtree.

Nietemin bly dit die taak van regsgeleerdes om ter konkretisering van soepele norme te soek na addisionele kriteria wat in die praktyk rasioneel aangewend kan word. Ek kom later by die vraag of, in die lig van relevante gewysdes van die laaste drie dekades, die mededingingsprinsiep wel 'n nuttige funksie kan vervul. Op hierdie stadium is dit egter gewens om na te gaan welke onregmatigheidskriterium of -kriteria in die regspraak toegepas word.

In *Dun and Bradstreet (Pty) Ltd v SA Merchant's Combined Credit Bureau (Cape) (Pty) Ltd*¹ het regter Corbett die volgende gesê:

“Fairness and honesty are . . . somewhat vague and elastic terms but, while they may not provide a scientific or indeed infallible guide in all cases to the limits of lawful competition, they are relevant criteria which have been used in the past and which . . . may be used in future in the development of the law relating to competition in trade.”

Dit is moeilik om te dink aan 'n geval waarin 'n oneerlike mededingingshandeling wat inwerk op die werfkrag van 'n ander se onderneming nie ook onregmatig is nie. Die omgekeerde is egter nie waar nie: sodanige handeling kan onregmatig wees ook by ontstentenis van enige vorm van oneerlikheid. Dit is daarom, meen ek, dat regter Corbett dit nodig gevind het om as't ware ook 'n billikeheidskriterium te betrek. 'n Soortgelyke opvatting blyk uit 'n latere uitspraak van regter Diemont.²

In *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd*³ het regter Theron egter tot die slotsom gekom dat die begrippe “fairness” en “honesty” nie disjunktief in die *Dun*-saak gebruik is nie. Wat in laasgenoemde saak te kenne gegee is, sê regter Theron⁴

1 1968 1 SA 209 (K) 218 – 219.

2 *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd* 1972 3 SA 152 (K) 161.

3 1977 2 SA 221 (K).

4 249 (my kursivering).

“was rather that competition which was unfair *and* dishonest could be considered to be illegal”.

In ’n toonaangewende uitspraak het regter Van Dijkhorst hom met hierdie siening vereenselwig: *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd*.⁵ Ek kan, met eerbied, nie akkoord gaan nie. Regter Corbett het spesifiek verwys na “criteria such as fairness and honesty in competition”, en aangesien ’n oneerlike mededingingshandeling nouliks ’n billike een kan wees, sou hy met “honesty” volstaan het indien hy nie ’n tweede kriterium in die oog gehad het nie.

Aan die ander kant is McKerron⁶ se kritiek op die *Dun*-benadering ongegrond. Hierdie outeur se beswaar is dat ons reg nie onbillike, in teenstelling tot onregmatige, mededinging as deliksvorm erken nie, en dat in die Engelse regspraak telkemale tereg beklemtoon is dat

“in cases relating to trade competition . . . the courts are not concerned with the propriety on ethical or social grounds of what the parties to the action have done . . .”

Onbillikheid is uiteraard primêr ’n pre-juridiese begrip. Vir die individu is ’n handeling onbillik indien dit in stryd met sy morele opvatting is. Ek meen egter nie dat regter Corbett ’n moreel afkeurenswaardige met ’n onbillike mededingingshandeling gelyk wou stel nie. Veeleer was “fairness” vir hom ’n kriterium waarvolgens bepaalde gedrag as regtens onbillik en derhalwe onregmatig gebrandmerk sou kon word.

In die *Atlas*-saak het regter Van Dijkhorst hom soos volg uitgelaat:⁷

“If fairness is to be the criterion which is to be applied, we would be lost in a sea of uncertainty. The individual regards as unfair that which is contrary to his moral convictions. But whose convictions are then to be decisive? A particular individual might regard as unfair trade practices commonly accepted in his society, eg, governmental competition with private enterprise or a price war between a chain store and a small corner grocery shop, where the outcome is the inevitable demise of the latter. Yet these are well-known phenomena. Unfairness *per se* cannot in my view be the criterion.”

5 1981 2 SA 173 (T) 186.

6 *The Law of Delict* (1971) 271 – 272.

7 187.

Sy uiteindelijke gevolgtrekking is soos volg geformuleer:⁸

“I have come to the conclusion that the norm to be applied is the objective one of public policy. This is the general sense of justice of the community, the *boni mores*, manifested in public opinion.”

Die voordeel van hierdie formulering is dat die klem val op 'n regsoordeel en nie op 'n suiwer morele oordeel nie. 'n Mens sou egter net sowel kon sê dat mededinging onregmatig is indien dit volgens die regsdoortuiging van die gemeenskap onbillik of onbetaamlik is. Indien 'n mens steeds voor oë hou dat 'n onbillike handeling regtens nie altyd dieselfde is as 'n handeling wat volgens 'n morele oordeel — selfs die oordeel van 'n deursneemens — onbillik is nie, kom dit dus nouliks daarop aan of 'n mededingingshandeling getoets word aan 'n billikheidskriterium of aan openbare beleid. Welke woordlui ook al verkies word, lê die probleem nie soseer by die formulering nie as by die toepassing van die kriterium.

Regter van Dijkhorst se konklusie het heelwat instemming in die regspraak uitgelok.⁹ In *Schultz v Butt*¹⁰ het die appèlhof egter as't ware die *Dun*-kriteria met die *Atlas*-formulering versoen. Waarnemende appèlregter Nicholas het naamlik gesê:¹¹

“In judging of fairness and honesty, regard is had to *boni mores* and to the general sense of justice of the community . . .”

Instemming is ook betuig met Van der Merwe en Olivier¹² se standpunt dat die regsgevoel van die gemeenskap “opgevat moet word as die regsgevoel van die gemeenskap se regsbeleidmakers, soos Wetgewer en Regter”. Die uiteindelijke slotsom¹³ in die *Schultz*-saak was dat “there can be no doubt that the community would condemn as unfair and unjust” die gewraakte optrede van die appellant.

8 188.

9 Sien bv *Silver Crystal Trading (Pty) Ltd v Namibia Diamond Corporation (Pty) Ltd* 1983 4 SA 884 (D) 888; *Aercrete South Africa (Pty) Ltd v Skema Engineering Co (Pty) Ltd* 1984 4 SA 814 (D) 822; *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd (1)* 1988 2 SA 350 (W) 357.

10 1986 3 SA 667 (A).

11 679.

12 *Die Onregmatige Daad in die Suid-Afrikaanse Reg* (1989) 58 vn 99.

13 683.

In die latere gewysdes is daar dan ook weer direkte beroepe op die “fairness” en “honesty” kriteria.¹⁴

Die erkenning van ’n oorheersende soepele maatstaf waarvolgens regmatige van onregmatige mededinging afgegrens word, is te verwelkom. Baie skrywers het reeds melding gemaak van die Proteusaard van onregmatige mededingingshandelinge wat, weens immer sneller groeiende tegniese ontwikkeling, in nuwe of veranderde vorm hul verskyning maak. Opvattings oor wat regtens in die mededingingstryd gedoog kan word, is ook nie staties nie. Soos egter aanstons aangetoon sal word, is die leemte van die soepele maatstaf dat dit ’n rasionele substraat ontbreek. Dit is so of ’n mens nou ook al oordeel volgens die regsdoelstelling van die gemeenskap, of volgens effens meer gekonkretiseerde regs kriteria soos oneerlikheid en onbillikheid wat ook maar uit daardie oortuiging te herlei is. ’n Aanvullende maatstaf is dus wenslik.

In die verbygaan dien daarop gewys te word dat ’n grondnorm vir die ganse deliktereg uit die regsdoelstelling van die gemeenskap geëkstraheer word. In *Marais v Richard*¹⁵ het die appèlhof naamlik by monde van appèlregter Jansen verklaar dat die grense van onregmatigheid gesoek moet word “in die toepassing as grondnorm van wat die ‘algemene redelikhedsmaatstaf’ genoem kan word”. ’n Konklusie dat gedrag onredelik of onbetaamlik of onbillik is, leer ’n mens egter weinig van die rede waarom die gedrag as sodanig getipeer word. Met volle besef van die nuttigheid van ’n oorkoepelende, soepele norm sal weinig juriste seker aanvoer dat slegs die redelikhedsmaatstaf in die deliktereg toegepas hoef of behoort te word.

Alvorens ek my by die mededingingsprinsiep bepaal, dien gewys te word op enkele ontwikkelings in ons regspraak in die laaste 30 jaar wat vir huidige doeleindes van belang is. In eerste instansie is daar die erkenning, sy dit dan ook nie altyd eksplisiet nie, van die subjektiewe reg van onder andere ’n mededinger op die werfkrag van sy onderneming. So byvoorbeeld het hoofregter Steyn in *Geary and Son (Pty) Ltd v Gove*¹⁶ dit gehad oor ’n mededinger se “right to attract custom”. En in *Universiteit van Pretoria v Tommie Meyer Films (Edms) Bpk*¹⁷ is die reg op die werfkrag van ’n onderneming in soveel

14 *Pepsico Inc v United Tobacco Co Ltd* 1988 2 SA 334 (W) 349; die *Gibbs*-saak *supra* 358.

15 1981 1 SA 1157 (A) 1168.

16 1964 1 SA 434 (A) 440; sien ook die *Atlas*-saak *supra* 182.

17 1977 4 SA 376 (T) 386.

woorde erken. Hierdie ontwikkeling is belangrik omdat die soeke na onregmatigheidskriteria vir mededingingshandelinge in verband gebring kan word met die aard en funksie van 'n besondere subjektiewe reg in mededingingsverband.

Tweedens is daar die erkenning dat 'n mededelingshandeling onregmatig kan wees selfs in die afwesigheid van 'n verwytbare gesindheid by die dader. Ek het hierbo gesê dat die formulering in die *Atlas*-saak die verdienste het dat dit die klem op 'n regsoordeel laat val. Hierdie stelling kan soos volg toegeelig word. Regsnorme, as norme van regmatige gedrag, stel eise aan die uitwendige gedrag van die mens. Daarom is die gesindheid van die dader in die reël nie ter sprake nie wanneer besin word oor die vraag of sy handeling strydig met die norm is. Word 'n morele oordeel egter gevel, kom ander faktore, en veral die dader se gesindheid, ter sprake. Trouens, in die meeste gevalle word gedrag as moreel afkeurenswaardig beskou slegs as die dader met 'n laakbare gesindheid opgetree het. 'n Onregmatigheidskriterium wat 'n direkte beroep op die moraal doen, loop gevolglik die gevaar dat 'n skuldvereiste by die norm ingewef word.

Daarom is die uitspraak in *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd*¹⁸ te verwelkom. In daardie saak het die eiser interdikte teen die verweerder aangevra. Die partye was mededingers en een stut van die aksie was dat die verweerder in advertensies verkeerdelik 'n bepaalde attribueer aan sy produk toegeskryf het. Die eiser het egter nie beweer dat die verweerder opsetlik, of selfs nalatig, opgetree het nie. Namens die verweerder is betoog dat die maak van misleidende reklame nie onregmatig teenoor 'n mededinger kan wees nie tensy 'n element van opset aanwesig is. Regter van Schalkwyk het dié betoog verwerp en tereg die volgende gesê:¹⁹

“Where . . . a misstatement of fact relates to a fundamental or intrinsic quality of the wares to be sold, thereby providing the advertiser with a competitive advantage, a plaintiff should not be non-suited merely because the deception was innocent.”²⁰

Na 'n lang aanloop kom ek uiteindelik by die mededingingsprinsiep. Ek beoog nie om te herhaal wat ek in my proefskrif of professor Neethling in *Die*

18 Sien vn 9 *supra*.

19 358 – 359.

20 Skuld is natuurlik wel 'n vereiste van 'n aksie gerig op die verhaal van skadevergoeding.

Reg aangaande Onregmatige Mededinging gesê het nie. 'n Kort opsomming is egter aangewese.

Op die werfkrag van 'n onderneming kan op twee wyses ingewerk word — regstreeks en onregstreeks. Wat mededingingshandelinge betref, is 'n inwerking regstreeks as dit direk teen 'n mededinger se werfkrag gerig is en dus slegs indirek kan dien om die eie werfkrag te behou of uit te brei. Onregstreeks is 'n inwerking wat primêr op die behoud of uitbreiding van die eie werfkrag gerig is en gevolglik slegs indirek die mededinger se werfkrag tref. So 'n inwerking is steeds die gevolg van die gebruik wat die dader van sy eie regs-goed maak, wat egter nie gelyk gestel moet word aan 'n uitoefening van sy reg daarop nie. 'n Opweging van die belange van mededingers kan naamlik aantoon dat die dader die perke van sy reg oorskry het. Omgekeerd kan so 'n opweging lei tot die konklusie dat daar regverdiging vir 'n regstreekse inwerking bestaan het.

Indien nou gelet word op die grondliggende ekonomiese regverdiging vir vrye mededinging, is dit nie moeilik om 'n maatstaf vir die afweging van strydige belange van mededingers te vind nie. Die wesentlike mededingingsprinsiep is naamlik dat die mededinger wat die beste en/of billikste prestasie lewer, die oorwinning moet behaal. Hierdie prinsiep kan egter gehandhaaf word slegs as die meriete van 'n mededinger se prestasie die deurslag gee. Gevolglik is nie elke handeling wat regstreeks die behoud of uitbreiding van die eie werfkrag dien, prestasiemededinging nie. So byvoorbeeld kan die verwekking van 'n gunstige skyn ten aansien van die dader se prestasie sy mededinger se werfkrag slegs onregstreeks tref, maar is dit in stryd met die mededingingsprinsiep omdat dit daarop gerig is om 'n valse beeld van die meriete van die prestasie die deurslag te laat gee.

In die lig van die fundamentele mededingingsprinsiep kan nou die volgende reël geformuleer word: 'n Mededingingshandeling is prinsipiële onregmatig indien dit op 'n mededinger se werfkrag inwerk en nie op die meriete van 'n eie, egte prestasie van die dader berus of gemik is nie. In uitsonderlike gevalle kan daar egter wel regverdiging vir so 'n handeling bestaan. Omgekeerd kan selfs prestasiemededinging in buitengewone omstandighede onregmatig wees. Hierdie uitsonderings doen egter geen afbreuk aan die basiese nut van die kriterium nie.

Sover ek kon nagaan, is die mededingingsprinsiep — as juridiese maatstaf — nog nie by name in die regspraak toegepas nie. In wat volg, poog ek om

aan te toon dat in gewysdes waarin uiteenlopende feitekomplekse ter sprake was en gekonkludeer is dat 'n mededinger onregmatig opgetree het, die bevinding op 'n rasonale toepassing van daardie prinsipie kon berus het.

Die vraag of vertroulike bedryfsinligting wat in 'n onderneming aangewend word sonder die toestemming van die ondernemer deur sy mededinger benut mag word, het al in 'n hele aantal gewysdes ter sprake gekom. In die *Dunsaak*²¹ is gesê dat

“where . . . a trader has by the exercise of his skill and labour compiled information which he distributes to his clients upon a confidential basis . . . a rival trader who is not a client but in some manner obtains this information and, well knowing its nature and the basis upon which it was distributed, uses it in his competing business and thereby injures the first mentioned trader in his business, commits a wrongful act *vis-à-vis* the latter . . .”

Regter Corbett het soos volg voortgegaan:

“In such circumstances the conduct of a rival trader who obtains and, well knowing the position, uses the information to advance his own business interests and activities amounts to a deliberate misappropriation and filching of the products of another's skill and labour. Such conduct must, in my view, be regarded as dishonest and as constituting a fraud upon the compiler of the information. I consider that, as in the case of false misrepresentations concerning one's own wares or of passing-off, our Courts should treat this as constituting unlawful competition and as being actionable at the suit of the trader damnified thereby.”

Dat die mededinger in die gepostuleerde geval onregmatig handel, val nie te betwyfel nie. Daar moet egter op gelet word dat regter Corbett die klem op 'n laakbare gesindheid van die dader laat val. Wat hy as onregmatig aanmerk, is die opsetlike aanwending van 'n mededinger se vertroulike inligting, dit wil sê 'n aanwending met kennis van onder meer die vertroulike aard van die inligting. Vandaar die bestempeling van die gewraakte gedrag as “dishonest”.

In dieselfde trant word in *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd*²² gesê:

“I have no doubt that the trader who filches information from a competitor, information which he knows to be secret and confidential, and which has been

21 221.

22 1972 3 SA 152 (K) 162.

developed by the competitor's skill and industry, is acting unfairly and dishonestly if he uses the information for his own profit and to the detriment of his rival. His conduct amounts to deliberate misappropriation of a business asset which was acquired by another's skill and industry."

In nie een van bogenoemde twee sake is pertinent beslis dat die onskuldige aanwending van vertroulike bedryfsinligting nie onregmatig kan wees nie. Indien te veel nadruk op oneerlikheid as maatstaf gelê word, is dit egter moeilik om 'n onskuldige aanwending as onregmatig te bestempel.

In *Prok Afrika (Pty) Ltd v NTH (Pty) Ltd*²³ word daar, soos dit my voorkom, 'n onderskeid gemaak tussen die posisie van 'n sogenaamde eienaar van vertroulike bedryfsinligting en dié van 'n persoon wat as gelisensieerde van die eienaar die inligting in sy onderneming benut. Waarnemende regter Goldstone postuleer die geval waarin A met toestemming van B sodanige inligting van B in sy onderneming aanwend, en C, 'n mededinger van A, dan die inligting verkry en in sy mededingende onderneming gebruik. Hy sê dan:²⁴

"Where the information has been obtained by C by honest means or by means having nothing to do with A (who is not the owner of the information or trade secret) it is only the owner B who can sue for common-law infringement . . . However, where such information has been improperly obtained by C from A in circumstances where its use by C will cause damage to A then the latter has a right in his own name to protect his own interests."

Dit wil dus voorkom dat na die oordeel van regter Goldstone B 'n subjektiewe reg op die inligting het, welke reg ook deur onskuldige benutting van die objek daarvan geskend kan word. Daarenteen kan A, wat nie so 'n reg het nie, ageer slegs indien as eerste vereiste C die inligting op 'n onbehoorlike wyse verkry het.

Oor die vraag of 'n handelsgeheim as aparte immateriële regsgoed erken behoort te word, hoef ek my nie uit te laat nie. Ek veronderstel bloot dat die antwoord ontkennend is. Selfs dan val dit nie in te sien nie waarom, wie ook al ageer, vereis sal word dat die betrokke inligting op 'n onbehoorlike wyse verkry is. Veronderstel dat 'n ondernemer by die vervaardiging van sy produk van tegniese data vervat in 'n diagram gebruik maak. Hierdie data is

23 1980 3 SA 687 (W).

24 697.

bekend aan slegs die ondernemer en sy werknemers. X, een van die werknemers, word weens wangedrag ontslaan. Hy steel as't ware 'n afskrif van die diagram en besorg dit aan Y, 'n mededinger van die ondernemer, wat daarna die data in sy eie vervaardigingsproses gebruik en aldus op die ondernemer se werfkrag inwerk. In die reël sal Y weet of ten minste vermoed dat die diagram vertroulike bedryfsinligting van die ondernemer vervat. Dit is egter denkbaar dat hy nie bewus is nie van die feit dat X 'n voormalige werknemer van die ondernemer is, en op redelike gronde glo dat X, soos hy voorgee, self die diagram opgestel het.

Na my mening handel Y onregmatig teenoor die ondernemer selfs indien hy skuldloos die diagram bekom het. Die ondernemer kan dus 'n bevel verkry wat Y verbied om die inligting in sy vervaardigingsproses te gebruik. Die mededingingsprinsiep vereis naamlik dat vertroulike bedryfsinligting nie ter daargestelling van 'n ander se prestasie in die mededingingstryd aangewend word nie. Wat die deurslag moet gee, is die eie prestasie, en as dit ten dele berus op 'n substraat van 'n vreemde prestasie, is eersgenoemde nie 'n volledig, eie prestasie nie.

In verband met hierdie konklusie duik egter twee vrae op wat nie onbeantwoord gelaat kan word nie. Die eerste vraag is of die aanwending van bedryfsinligting deur 'n mededinger nie juis daartoe kan lei dat tot voordeel van die publiek 'n goedkoper produk op die mark geplaas word nie. In bogenoemde voorbeeld kan Y bes moontlik 'n produk van dieselfde gehalte as dié van die ondernemer bemark, maar teen 'n goedkoper prys omdat hy geen of weinig koste aangegaan het om die inligting vervat in die diagram te bekom nie. Handel Y dan nie juis in ooreenstemming met die mededingingsprinsiep nie wat daarop gerig is om te verseker dat die beste en/of billikste prestasie die deurslag gee, of altans kan gee?

Die antwoord is dat daardie prinsiep berus op die grondgedagte dat mededinging volksekonomies voordelig is. Wanneer nou regtens grense aan vrye mededinging gestel word, moet gelet word nie net op die kortstondige voordeel wat die publiek vanweë die optrede van 'n bepaalde mededinger kan toeval nie, maar veral op die ekonomiese nadeel wat die duldning van so 'n handeling op die lang duur kan inhou. Indien daar geen beskerming teen die aanwending van 'n ondernemer se bedryfsinligting in die mededingingstryd bestaan nie, verval die prikkel om, dikwels teen heelwat koste en inspanning, sodanige inligting deur eie inisiatief te bekom. Produksie, die lewering van dienste ensomeer sal dan neig om staties te word. Dat dit op die lang duur

volkseonomies skadelik kan wees, spreek vanself. Vandaar die vereiste dat 'n mededinger 'n egte, eie prestasie daar moet stel.

Indien nou eenmaal aanvaar word dat 'n ondernemer beskerm moet word teen aanwending van sy bedryfsinligting in die mededingingstryd, kom dit nie daarop aan op welke wyse 'n mededinger dit bekom het nie. Of laasgenoemde nou ook al opsetlik of skuldloos opgetree het, is die resultaat dat hy nie 'n eie prestasie lewer nie.

Die tweede vraag is dit: Waarom dan vereis dat die inligting vertroulik moet wees? Selfs al is die inligting gepubliseer, kan immers gesê word dat die mededinger wat dit benut sy prestasie ten dele op 'n vreemde prestasie laat berus.

Hier is die antwoord dat na publikasie die belange van die individuele mededinger moet wyk voor strydige algemene belange. Die voortbouing op idees — in die wydste sin van die woord — lê ten grondslag van ons beskawing, ook in sy uitstralings op die gebiede van handel en nywerheid. Die openbare belang vereis daarom dat idees na 'n tydperk of na die plaasvind van 'n gebeurtenis gemeengoed word. By ontstentenis aan wetteregtelike beskerming word die knoop deurgehak by publikasie van die idee. In die reël kan 'n skepper van 'n idee immers self daarteen waak dat dit nie gepubliseer word nie.

'n Ondernemer kan hom dus nie verset teen die aanwending deur sy mededinger van sy gepubliseerde idees nie. Juis omdat die idee — of meer bepaald inligting — by publikasie gemeengoed word, is daar nie sprake dat die mededinger nie 'n egte, eie prestasie lewer nie. Per slot van rekening berus verreweg die meeste mededingende prestasies in 'n meerdere of mindere mate op idees, insluitende bedryfsinligting, wat gemeengoed geword het.

Bogenoemde sake kon dus op grond van 'n toepassing van die mededingingsprinsiep besleg gewees het. Die daders het naamlik onregmatig gehandel omdat hul van vertroulike bedryfsinligting van andere gebruik gemaak het en hul inwerkings op die werfkrag van die betrokke ondernemers dus nie volledig op eie prestasies berus het nie. En dit is die geval of hulle nou ook al opsetlik, nalatig of skuldloos opgetree het.

Van die aanwending van 'n gepubliseerde idee moet onderskei word die parasitering van 'n vreemde prestasie. In die *Schultz*-saak het A 'n glasvesel-skuif, bekend as die Buttcat, bemark. Daarby is gebruik gemaak van 'n giet-

vorm waarin A se ontwerp van die romp van die skuit beliggaam was. Hierdie ontwerp was die resultaat van ondervinding en eksperimente wat oor 'n lang tydperk gestrek en heelwat koste meegebring het. Nie lank nadat A die skuit begin bemark het, het B 'n romp van 'n Buttcat van 'n derde aangekoop. Met behulp daarvan het B toe 'n gietvorm gemaak wat, behoudens geringe wysigings, identiek met A se vorm was. Met ander woorde, A se ontwerp is toe in B se gietvorm beliggaam. Hierna het B laasgenoemde vorm gebruik om in mededinging met A 'n skuit, genaamd die Supercat, te vervaardig en te bemark.

In appèl, net soos in die hof *a quo*, is beslis dat B hom aan onregmatige mededinging skuldig gemaak het. Die grondslag van die appèlhof se bevinding is soos volg deur waarnemende appèlregter Nicholas geformuleer:²⁵

“There can be no doubt that the community would condemn as unfair and unjust . . . [B's] . . . conduct in using one of . . . [A's] . . . hulls (which were evolved over a long period, with considerable expenditure of time, labour and money) to form a mould with which to make boats in competition with . . . [A].”

B se gedrag is dus as onregmatig beskou omdat dit volgens die regsopvatting van die gemeenskap onbillike mededinging gekonstitueer het. Met die beslissing as sulks is daar geen fout te vind nie. Waarop ek egter die aandag wil vestig, is dat 'n toepassing van die mededingingsprinsiep in plaas van 'n meer elastiese, maar heelwat vaer, maatstaf tot dieselfde resultaat sou gelei het.

Ek het reeds daarop gewys dat by ontstentenis aan wetteregtelike beskerming 'n gepubliseerde idee vryelik nagevolg mag word — ook in die mededingingstryd. Niks verhoed dus 'n ondernemer om 'n gepubliseerde idee van sy mededinger waarop laasgenoemde se prestasie berus, in verband met sy eie prestasie aan te wend nie. Om met 'n Amerikaanse voorbeeld te illustreer: Y, 'n versekeringsmakelaar, leer uit ondervinding dat wanneer hy boere nader ten einde polisse aan hulle te “verkoop” hulle gewoonlik sê dat weens werkdrukke hulle nie tyd het om met hom te praat nie. Hy bedink toe 'n nuwe idee wat hy tot uitvoering bring. Hy neem naamlik oral 'n “handyman” saam en as 'n boer voornoemde verskoning opper, bied hy hom vir die duur van hul gesprek oor versekering die handlanger se dienste aan. Y behaal groot sukses en, soos te verwagte is, begin Z, sy mededinger, van dieselfde idee gebruik maak. Hy neem dus ook 'n handlanger saam wanneer hy boere be-

25 683.

soek. Y het miskien rede om gegrief te voel, maar onregmatig handel Z nie. Hy bied steeds 'n onafhanklike prestasie aan, al berus dit op Y se idee.

Anders is die posisie indien 'n ondernemer hom skuldig maak aan aanwending van sy mededinger se prestasie as sodanig; met ander woorde indien nie net die gepubliseerde idee nie, maar ook die prestasie van die mededinger tot basis van die dader se prestasie gemaak word. Dit het nou juis in die *Schultz*-saak gebeur. B kon naamlik nie A se idee — dit wil sê sy ontwerp — aanwend nie sonder om te teer op die romp van die Buttcat wat die uiteindelijke beliggaming van daardie idee was. B het dus nie 'n egte, eie prestasie daargestel nie. Daarom was sy optrede in stryd met die mededingingsprinsiep.

Ek kom ten slotte by gevalle van misleiding ten aansien van die eie prestasie. Behoudens sogenaamde ophemeling (“puffing”) is sodanige misleiding steeds onregmatig teenoor die mededinger wat daardeur getref word. Die rede is dat die dader deur misleiding die afnemer verhinder om 'n suiwer vergelyking tussen sy eie prestasie en dié van sy mededingers te maak. In stryd met die mededingingsprinsiep trag hy dus om nie die meriete van sy eie prestasie nie, maar wel die skyn van 'n ander of beter prestasie, die deurslag te laat gee.

Ek het reeds verwys na die *Gibbs*-saak waarin beslis is dat misleiding ten aansien van die eie prestasie onregmatig is ook in die afwesigheid van opset aan die kant van die dader. Soos ek die uitspraak begryp, was die uiteindelijke *ratio decidendi* dat ook 'n onskuldige misleiding in stryd met die *boni mores*-maatstaf is. Dit kan toegegee word, maar aan die hand van die mededingingsprinsiep kon so 'n handeling op 'n rasoneler grondslag as onregmatig aangemerkt gewees het. Die gesindheid van die dader is immers prinsipiël irrelevant by beoordeling van die vraag of die dader in stryd met daardie prinsiep opgetree het.

In die *Stellenbosch Wine Trust*-saak²⁶ het die respondente, wat perléwyne geproduseer het, by die bemerking van hul produkte verkeerdlik die indruk geskep dat dié inderdaad vonkelwyne was. Dit het geskied tot nadeel van die aplikante wat produseerders en bemerkers van vonkelwyne was. In sy uitspraak het regter Theron bevind dat 'n interdik toegestaan kon word mits, onder andere, die respondente bewus was van die onjuistheid van hul voor-

26 Sien vn 3 *supra*.

stelling. Die bevinding was in 'n groot mate te wyte aan sy vertolking van sekere uitlatings in die *Geary*-saak, welke vertolking nie juis was nie. Ek meen egter dat die regter ook beïnvloed is deur die kriterium wat hy toegepas het, naamlik dat "dishonest" mededinging onregmatig is. Soos reeds telkens aangedui is, doen 'n begrip soos oneerlikheid 'n direkte beroep op die moraal wat by uitnemendheid eise aan die dader se gesindheid stel. Indien regter Theron die mededingingsprinsiep toegepas het, sou hy geen probleme ondervind het nie om die respondente se misleiding sonder verwysing na 'n verwytbare gesindheid as onregmatig aan te merk.

Ek is dus nog steeds oortuig dat die mededingingsprinsiep as rasionele afgrensingsmaatstaf by verreweg die meeste onregmatige mededingingshandelinge te pas kom. Anders as vroeër, erken ek egter die nut, en inderdaad noodsaaklikheid, van 'n oorkoepelende, elastiese maatstaf gegrond op die regs-oortuiging van die gemeenskap. Daarvolgens sou selfs prestasiemededinging in gepaste gevalle onregmatig kan wees: byvoorbeeld indien daar 'n te groot oneweredigheid is tussen die voordeel wat die dader verkry en die nadeel wat die getroffene ly en die dader se skynbare regsuitoefening dus onredelik in 'n regsin is. Dit is egter veral buite die mededingingsverband dat die oorkoepelende maatstaf 'n belangrike funksie vervul; dit wil sê wanneer besluit moet word of die reg op die werfkrag van 'n onderneming aangetas is deur 'n inwerking op die werfkrag uitgaande van 'n nie-mededinger van die onderneemer. Bes moontlik kan ook ten opsigte van sodanige inwerkings aanvullende rasionele kriteria geformuleer word. Dit laat ek egter oor aan toekomstige regsontwikkeling.

3

The role of fault in determining the lawfulness of competition

PQR BOBERG*

I stand before you this morning as a condemned man. Condemned, that is, to incur your displeasure on at least two counts. First, I am going to advance a thesis that some of you may find untenable. Then, I am going to commit an *injuria* that all of you will find unpardonable: I am going to contradict our host and the distinguished speaker who has just preceded me on this platform.

In short, I am going to try to persuade you that the delict of “unfair competition” is not committed unless the defendant acted intentionally, that is, with *dolus*. By “unfair competition” I mean that innominate species of unlawful competition first recognized in our law by Mr Justice Corbett (as he then was) in *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd*,¹ a decision confirmed by the Appellate Division in *Schultz v Butt*.² I do not include other forms of unlawful competition, such as passing-off, in relation to which it has already been held that *dolus* is not a requirement. For convenience I call this “unfair competition”, as

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1 1968 1 SA 209 (C).

2 1986 3 SA 667 (A).

indeed the court did in *Schultz v Butt*, though I am well aware that “unfairness” is not the only criterion of unlawfulness in such cases — as the court also was in *Schultz v Butt*.³

My excuse for this rude behaviour is that dispute is the lifeblood of the law. Controversy is the crucible from which new concepts emerge. And, if I should not succeed in persuading you, perhaps I shall at least provoke further thought and debate on this fascinating subject: the limits of lawfulness in the field of competition.

Yes, indeed, my address is concerned with wrongfulness, not fault. Though at first sight my thesis that *dolus* is necessary may seem to concern itself with the fault element of the delict, it is not so. It is my contention, not that *dolus* is required for fault, but that it is required for wrongfulness. In short, I say that unfair competition is not wrongful unless it is accompanied by *dolus*.

The important implication of this, as everyone will readily perceive, is that, if I am right, *dolus* will have to be alleged and proved before an interdict can be granted against unfair competition, despite the fact that fault is not a requirement of an interdict.⁴ That is because, although fault is not required,

3 “While fairness and honesty are relevant criteria in deciding whether competition is unfair, they are not the only criteria. As pointed out in the *Lorimar Productions* case [1981 3 SA 1129 (T) 1152 – 1153], questions of public policy may be important in a particular case, eg the importance of a free market and of competition in our economic system” (per Nicholas AJA 679E).

By using the expression “unfair competition” I do not imply that there is a wrong of “unfair competition” distinct from the wrong of unlawful competition (cf McKerron’s criticism of the *Dun and Bradstreet* decision (*supra*) in *The Law of Delict* (1971) 271 – 272, and its refutation by Theron J in *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd* 1977 2 SA 221 (C) 249 – 250). I imply only that there is a species of unlawful competition, conveniently called “unfair competition”, which is wrongful, not because the facts fall within an established or “crystallized” category of unlawful competitive conduct, such as passing-off, but because the “general sense of justice of the community” (*Schultz v Butt* (*supra*) 679C), influenced by considerations of fairness, honesty and public policy, would brand it wrongful.

4 See *Regal v African Superslate (Pty) Ltd* 1963 1 SA 102 (A) 106A – B; *Hawker v Life Offices Association of South Africa* 1987 3 SA 777 (C) 780H – I; *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd (1)* 1988 2 SA 350 (W) 353F; Van der Merwe and Olivier *Die Onregmatige Daad in die Suid-Afrikaanse Reg* (1985) 502 504. I am, of course, aware that the decision in *Elida Gibbs* is against the thesis put forward in this address. I shall deal with that decision later.

wrongfulness certainly is, and the defendant's conduct will not be wrongful unless he acted with *dolus*.

The suggestion that the fault element of a delict can influence the wrongfulness element has sometimes been received with scorn. Jurists who make that suggestion have been subjected to the modern equivalent of stoning — they have been accused of confusing the elements of a delict. Yet it is the stoners who err. Liability for causing damage by words rather than deeds has long depended on whether the actor used the words with the intention to deceive — in which case he may be guilty of the crime and the delict of fraud — or merely negligently — in which case he may not be liable at all. The relevance of motive — also a mental state — as a determinant of wrongfulness in certain cases is generally accepted.⁵ Dednam puts the relationship between wrongfulness and fault in perspective when he says:⁶

“Die regmatigheid van 'n persoon se handeling dui daarop dat hy volgens die algemene gemeenskapsopvatting redelik opgetree het in die bepaalde omstandighede. As sodanig is die toets vir redelikheid objektief en word geleer dat die dader se gesindheid geen rol moet speel by die regmatigheidsvraag nie.

Dié houding is nie heeltemal korrek nie. Die feit dat die dader se gesindheid betrek word, beroof nie die toets van sy objektiwiteit nie: dit bly steeds die gemeenskapsopvatting wat die redelikheid al dan nie bepaal. Al verskil is dat die subjektiewe gesindheid van die dader nou bygereken word as een van die feitelike omstandighede wat beoordeel moet word ten einde te beslis of die handeling redelik is. Die toets boet slegs sy objektiwiteit in wanneer die dader se eie beskouing van die regmatigheid al dan nie van sy optrede as toets gebruik word.”

In other words,¹ the actor's fault may affect the objective reasonableness, and hence the lawfulness, of his conduct. Undoubtedly there are circumstances in which the community will more readily brand conduct wrongful if it is accompanied by intention than if it is merely negligent.

Before 1968 our courts, influenced by English law, regarded as unlawful competition only those forms of conduct that fell within the stereotype wrongs

⁵ See now also *Hawker v Life Offices Association of South Africa* (*supra*) 781E–F.
⁶ 1977 *Meditationes Medii* 21. For further citations see Boberg *The Law of Delict I: Aquilian Liability* (1984) 39.

known as “passing-off”, “injurious falsehood” and the like. This did not mean, however, that they constituted “specific torts” or that liability was confined to these instances. In *Geary and Son (Pty) Ltd v Gove*⁷ Steyn CJ characterized the remedy for unlawful competition as an Aquilian action:

“The plaintiff’s action is Aquilian. It sues in delict. What it apparently seeks to allege is the wrongful interference by a competitor with its rights as a trader. Although there is no clear statement to that effect in the declaration as amplified, the right upon which the plaintiff may be presumed to rely is its right to attract custom. The interference alleged would, on that basis, appear to be a wilful misrepresentation and dishonest conduct on the part of the plaintiff’s competitor by which customers or potential customers have been or will be induced to deal with the competitor rather than with itself. I do not propose to attempt a definition of the limits set to competition in trade by Aquilian liability, but whatever those limits are, it seems clear that interference of the nature indicated is recognized as an infringement of a trader’s rights and therefore as a delict in our law.”

In this case the plaintiff alleged that the defendant had deliberately advertised falsely that it manufactured suspension coil springs for motor vehicles, and that it had sold such springs as being of its own manufacture, whereas in truth the defendant had at no material time manufactured suspension coil springs, and the springs that it had sold as being of its own manufacture had in fact been manufactured by the plaintiff. The action was therefore not one for passing-off (in which the defendant misrepresents his own goods as being those of the plaintiff), but rather one for “passing-off in reverse”. However, no finding was made on the merits, for the matter came before the court on exception and resulted in the striking-out of the plaintiff’s declaration as a whole on the ground that it was vague and embarrassing.

Geary and Son (Pty) Ltd has two important features:

- (a) the court’s characterization of the remedy as an Aquilian action, thus implying that it is governed by ordinary Aquilian principles and requirements of liability, and opening the way for future development without the constraint of fitting the facts within a specific delict; and

⁷ 1964 1 SA 434 (A) 440–441.

- (b) the identification of the wrongfulness of the defendant's conduct as residing in his interference with the plaintiff's right to attract custom (ie his "werfkrag" or "goodwill").⁸

Since the remedy for unlawful competition is Aquilian, it has been suggested by certain writers that intention is not required: negligence should suffice for liability. It is true, they concede, that Steyn CJ in *Geary's* case required the plaintiff to allege and prove

"that the defendant has, by word or conduct or both, made a false representation, that it knew the representation to be false, that the plaintiff has lost or will lose customers, that the false representation is the cause thereof, and that the defendant intended to cause the plaintiff that loss by the false representation."⁹

But this passage, they point out, is immediately preceded by the statement that "[t]he plaintiff does not base its case upon a misrepresentation negligently made, but upon wilful falsehood, ie an intentional wrongful act on the part of the defendant". Thus it must be read in that context.

One of the writers to whom I refer is Professor SJ Naudé, who, in his contribution on *Competition* to *The Law of South Africa*, says that Steyn CJ "took care to point out" that the plaintiff did not base its case upon negligent misrepresentation.¹⁰ The other learned authors are Mr Justice HJO van Heerden and Professor J Neethling, whom I have the honour of addressing this morning. In their *Onregmatige Mededinging*¹¹ they have the advantage, unlike Naudé, of writing after *Administrateur, Natal v Trust Bank van Afrika*

8 See Van Dijkhorst J in *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd* 1981 2 SA 173 (T) 182D–E, who says that this is "the same as the 'reg op die werfkrag' which is the right HJO van Heerden seeks to protect in *Gronslae van die Mededingingsreg* . . . Sometimes this is referred to as the trader's goodwill, which is defined by Lord MacNaughten in *Commissioners of Inland Revenue v Millar & Co Margerine Ltd* [1901] AC 217 at 224 as 'the attractive force that brings in custom'".

9 441C–D.

10 Vol II (1977) par 509 fn 13. This may, however, be to read more into Steyn CJ's judgment than was intended. In fn 17 Naudé says that "the possibility of recovering pecuniary loss resulting from negligent disparagement cannot be excluded".

11 (1983) 20–23 26 88–89 176–179.

*Bpk.*¹² This, perhaps, has encouraged them to put the case for a liability based only on negligence far more strongly.¹³ They proclaim:¹⁴

“[A]angesien opset en nalatigheid oor een kam geskeer word sover dit Aquiliese aanspreeklikheid betref, kan die ontwikkelingsproses as voltooid beskou word slegs indien in die huidige reg elke onregmatige, skadestigtende handeling die dader tot skadevergoeding verplig, ongeag die skuldvorm by hom aanwesig. Daarom is ‘an action under the *lex Aquilia* based upon *dolus*’ onbestaanbaar as daarmee bedoel word ’n Aquiliese aksie wat slegs beskikbaar is ten opsigte van *opsetlike* onregmatige skadeverooraking. Dit het tog geen sin nie om in die een asem van ’n Aquiliese aksie te praat en in die ander die wesenskenmerk van sodanige aksie — naamlik die gelykskakeling van opset en nalatigheid sover dit die skuldvereiste aangaan — te verontagsaam. Dié opvatting sou immers neerkom op die erkenning van twee soorte Aquiliese aksies: een waarby opset, en ’n ander waarby òf opset òf nalatigheid as aanspreeklikheidsvereiste geld. En dan moet ’n mens weer vra: welke sin het dit om die eerste met die benaming van Aquiliese aksie te vereer? Intendeel kan dit alleen verarring in die hand werk en die sistematiek van ons reg geweld aandoen. Nieteenstaande herhaling moet daarom weer eens beklemtoon word dat van Aquiliese aanspreeklikheid alleen sprake kan wees indien prinsipiële en ’n opsetlike en ’n nalatige handeling tot skadevergoeding verplig.”

I pause here to point out that, while the *Trust Bank* case certainly recognized the availability of an action for pure economic loss arising from a *negligent* misstatement, it by no means accorded it the same treatment as an action for pure economic loss arising from an *intentional* (that is, a fraudulent) misstatement. Whereas it is *prima facie* wrongful — indeed, even criminal — to cause economic loss by intentionally making a false statement, the wrongfulness of a misstatement made negligently is far from self-evident. On the contrary, it is a matter for anxious consideration by the court, which can arrive at a decision only after weighing considerations of public policy.

12 1979 3 SA 824 (A).

13 They claim support also from a *dictum* of Howie AJ in *Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd* 1979 2 SA 276 (E) 281C–D: “Seeing that passing-off is a delict and that the action to which it gives rise is Aquilian-based . . . the appellant was not bound, in order to succeed, to prove *dolus* on the respondent’s part . . . It was enough for the appellant to prove negligence . . .” But this was in the context of the established wrong of passing-off. When it comes to what they call “misleading ten aansien van die eie prestasie”, Van Heerden and Neethling 89 concede: “Die meeste beslissings wat op die voetspoor van die *Gove*-saak gevolg het, bevestig slegs dat Aquiliese aanspreeklikheid geknoop word aan die bedrieglike of opsetlike wanvoorstelling ten aansien van die eie onderneming (prestasie) wat ’n mededinger se werfkrag nadelig tref.”

14 20–21.

The truth of this emerges clearly from the remarks of Rumpff CJ in *Trust Bank*, who said:¹⁵

“Na my mening kan en behoort die eisgrond in die onderhawige saak in die uitgebreide trefgebied van die *lex Aquilia* geplaas te word. Hieruit sou volg dat, volgens ons heersende norme, daar onregmatigheid vereis word en skuld. Die vrees van die sg ‘oewerlose aanspreeklikheid’ kan ook alleen dan besweer word, indien by elke gegewe geval dit die taak van die hof is om te beslis of daar in die besondere omstandighede ’n regsplig op die verweerder gerus het om nie ’n wanbewering teenoor eiser te doen nie, en ook of die verweerder in die lig van al die omstandighede, redelike sorg uitgeoefen het, onder andere, om die korrektheid van sy voorstelling vas te stel. By afwesigheid van ’n regsplig, is daar geen onregmatigheid nie.”

Moreover, while Van Heerden and Neethling have the advantage of writing after *Trust Bank*, they also have the disadvantage of writing before *Lillicrap, Wassenaar Partners v Pilkington Brothers*.¹⁶ Affirming the role of public policy in controlling liability for pure economic loss caused negligently, Grosskopf AJA said:

“It is true that the judgment in *Administrateur, Natal v Trust Bank van Afrika Bpk* 1979 (3) SA 824 (A) removed whatever doubt there may have been about the validity of . . . a claim [based upon negligent misstatement] as a matter of principle, but the same case rendered it clear that liability in a concrete case would depend *inter alia* on whether the defendant’s conduct was wrongful in the delictual sense, which in turn involves policy considerations . . . In this respect misstatements do not differ, in principle, from other forms of allegedly wrongful conduct. In assessing the relevant policy considerations I have not in fact found it helpful in the present case to determine to what extent the appellant’s conduct which is alleged to be wrongful should be regarded as misstatements, as distinct from other forms of conduct . . .

The main point of difference [between my judgment and the judgment of the court *a quo*] relates to the court’s approach to the question of wrongfulness, which involves the extension of delictual liability in the present case to circumstances not covered by existing authority.”

Having quoted a passage from the judgment of Lord Wilberforce in *Anns v Merton London Borough Council*¹⁷ which, he said, the court *a quo* had adopted, Grosskopf AJA continued:

15 832 – 833.

16 1985 1 SA 475 (A) 503F – 505F.

17 [1978] AC 728 751.

“However, the approach of English law seems to me to be different from ours . . . English law adopts a liberal approach to the extension of a duty of care. If there is a sufficient relationship of proximity between the parties such that, in the reasonable contemplation of the alleged wrongdoer, carelessness on his part may be likely to cause damage to the plaintiff, there is a *prima facie* duty of care, which is excluded only if the court considers that there are considerations which ought to negate, reduce or limit the scope of the duty. South African law approaches the matter in a more cautious way, as I have indicated, and does not extend the scope of the Aquilian action to new situations unless there are positive policy considerations which favour such an extension.”

This passage, it seems to me, makes it abundantly clear that in South African law it is not *prima facie* wrongful to cause economic loss negligently: the court must be satisfied that considerations of policy favour the imposition of liability in the particular factual context.

Whether one welcomes this new mood of judicial conservatism or deplors the reaction to *Trust Bank* that it represents — and I belong to the latter class, as most of you will know¹⁸ — is not important. What is important is that at present it reflects the approach of our law to the extension of Aquilian liability to new situations.

Which brings me to the question some of you may be asking: What has all this to do with unfair competition? A great deal, I suggest. Although lawyers of a bygone age may have regarded unlawful competition as a “separate tort”, its Aquilian affiliations have been all too clear since *Geary’s* case. And although the crystallized or stereotyped forms of unlawful competition may be governed by rules that evolved over a long period and under the influence of English law, the manifestation of unlawful competition that I have called “unfair competition” first drew breath as recently as 1968,¹⁹ achieving its (premature) majority at the age of 18 years in 1986.²⁰ That fledgling delict is certainly a “new situation” in the long temporal perspective of the law. And it is my submission that it needs to be controlled by confining its application to situations in which the defendant acted intentionally.

Lest I be misunderstood, let me say that my submission is not directly in conflict with the views of Naudé, Van Heerden and Neethling. They reject

18 See my comment on *Lillicrap* in 1985 *SALJ* 213.

19 As a result of the decision in the *Dun and Bradstreet* case (*supra*).

20 In *Schultz v Butt* (*supra*).

a requirement of intention in the context of the fault element of the delict. I am quite prepared to concede that negligence may serve equally with intention as a manifestation of fault. What I say is that the requirement of *wrongfulness* is not satisfied unless the defendant acted intentionally.²¹

Let us turn to the cases that spawned and nurtured this new strain of unlawful competition.

Dun and Bradstreet was not decided in a vacuum. Its inspiration, I believe, was the decision of the United States Supreme Court in *International News Service v Associated Press*.²² Here the defendant news agency, having fallen foul of the authorities in France, found it difficult to obtain news of the First World War directly. Accordingly, it copied war news obtained by the plaintiff — a rival news agency — and supplied this to its own client's newspapers. In granting an injunction against the defendant, the majority of the court said:²³

“In doing this defendant, by its very act, admits that it is taking material that has been acquired by complainant as the result of organization and the expenditure of labour, skill and money and which is saleable by complainant for money, and that defendant, in appropriating it and selling it as its own, is endeavouring to reap where it has not sown, and by disposing of it to newspapers that are competitors of complainant's members is appropriating to itself the harvest of those who have sown.”

Mr Justice Corbett in *Dun and Bradstreet* considered this decision to be “peculiarly apposite in the present case”.²⁴ Applying it, the learned judge said:²⁵

21 Neethling, Potgieter and Visser *Deliktereg* (1989) 256, while agreeing with Van Heerden and Neethling that intention is not required to satisfy the *fault* element of unlawful competition, make a sharp distinction between fault and wrongfulness in this context, and stress that the central issue is one of wrongfulness: “Niemin is dit veral die vraag na die *onregmatigheid* van 'n mededingingshandeling wat hier van kardinale betekenis is — 'n vraag wat nie altyd so maklik is om te beantwoord nie.”

22 248 US 215 (1918).

23 239–240.

24 220.

25 221–222.

“In such circumstances the conduct of a rival trader who obtains and, well knowing the position, uses the information to advance his own business interests and activities amounts to a deliberate misappropriation and filching of the products of another’s skill and labour. Such conduct must, in my view, be regarded as dishonest and as constituting a fraud upon the compiler of the information. I consider that, as in the case of false misrepresentations concerning one’s own wares or of passing-off, our courts should treat this as constituting unlawful competition and as being actionable at the suit of the trader damnified thereby. As in those cases, the conduct of the trader misappropriating the information would amount to an infringement of the rights of the compiler thereof to carry on his trade and attract custom without unlawful interference from competitors, and the damage suffered would normally consist of the loss of customers or potential customers who have been induced by such conduct to deal with his competitor rather than with the compiler himself. Bearing in mind the Aquilian character of a claim based upon such conduct, it seems to me that the suffering of damage in this form and its causal connection with the acts of unlawful competition are essential ingredients of the claimant’s cause of action.”

In the twenty-one years that have elapsed since *Dun and Bradstreet* was decided, the notion of “unfair competition” has received a fair amount of judicial attention.²⁶ In none of those judgments was liability imposed for negligent conduct; in all of them the elements of “deliberation”, “dishonesty”, “misappropriation”, “filching” and “fraud” were stressed. It is difficult to see how those several manifestations of turpitude can blossom in soil nourished only by negligence. Let me read some of the relevant passages to you.

The first is from *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd*.²⁷ Here Diemont J, having referred to *Dun and Bradstreet*, said:²⁸

26 McKerron criticizes the decision on the ground that it gave the courts too wide a discretion (see *Delict* 271 – 272). He cites *Post Newspapers (Pty) Ltd v World Printing & Publishing Co Ltd* 1970 1 SA 454 (W) in support of his view, but it is submitted that the decision is irrelevant. In that case Nicholas J (as he then was) did not criticize *Dun and Bradstreet*: he merely rejected the submission that the facts before him fell within the “broad concept” of unlawful competition discussed in that case (see Boberg 1970 *Annual Survey* 161; *The Law of Delict* 164 – 165).

Other writers found no fault with *Dun and Bradstreet*: see eg Naudé *op cit* par 504; Van der Merwe and Olivier *Die Onregmatige Daad* 382 fn 9; Copeling 1968 *THRHR* 190; Van Heerden and Neethling *op cit* 136 fn 99, Boberg 1968 *Annual Survey* 195; *The Law of Delict* 164.

27 1972 3 SA 152 (C).

28 161 – 162.

“It must be conceded that these phrases, fairness in competition and honesty in trade, have an old-fashioned ring about them which may cause the cynic in business to smile, but it is right that the courts should have regard to and emphasize these virtues. Moreover the phrases are somewhat elastic, as difficult to apply in some cases as the concept of the reasonable man is difficult to apply. Nevertheless, if our law is to develop and is to offer the commercial man protection from unlawful interference in his business, the courts will not disregard the words fairness and honesty.

A trader who makes fraudulent misrepresentations about his own business to the detriment of his rival’s business is guilty of unlawful interference. So also a trader who passes off his goods as being those of a competitor, or makes injurious false statements concerning his competitors’ business. In each case the interference is unlawful and actionable; and in each case the conduct is unfair or dishonest. I have no doubt that the trader who filches information from a competitor, information which he knows to be secret and confidential, and which has been developed by the competitor’s skill and industry, is acting unfairly and dishonestly if he uses the information for his own profit and to the detriment of his rival. His conduct amounts to deliberate misappropriation of a business asset which was acquired by another’s skill and industry. It is difficult to appreciate how this conduct differs in principle from the conduct of a man who steals goods from the shelves of a rival’s shop. Both types of conduct constitute unlawful interference with the trade of another; both types of conduct are in my view actionable, and fall within the principles of the *lex Aquilia*.”

Note that the presence of *dolus* is assumed throughout. For Diemont J, the hallmark of unfair competition is the defendant’s dishonesty in the form of his knowledge that he is stealing something from his rival and using it unfairly and dishonestly.²⁹

In a further instalment of the winemakers’ saga, *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd*,³⁰ Theron J said that McKerron had “completely misunderstood” the *Dun and Bradstreet* decision.³¹ He continued:³²

“As I read this, it cannot be inferred that the learned judge held that our law recognized ‘a wrong of unfair, as distinct from illegal, competition’. What he

29 Subsequent appeals in the *Stellenbosch Wine Trust* case (see 1974 1 SA 729 (A)) are not relevant to the present issue.

30 1977 2 SA 221 (C).

31 The decision, opined Theron J, was “soundly based on principle and will stand the test of time” (248H). Its correctness had been accepted by Diemont J in the *Stellenbosch Wine Trust* case (*supra*), by Margo J in *Latham v Sher* 1974 4 SA 687 (W) and by all writers except McKerron.

32 249–250.

held was rather that competition which was unfair and dishonest could be considered to be illegal. In other words, in his view such competition could be classed as an unlawful infringement of the rights of a competitor to exercise his calling. I may be wrong, but as I understand it, Corbett J meant to place his emphasis on the element of dishonesty and not to suggest that ‘unfairness’, in any wide sense, alone could render competition unlawful.”

It is difficult to imagine dishonesty without *dolus*.³³

In *Prok Africa (Pty) Ltd v NTH (Pty) Ltd*³⁴ Goldstone AJ held that an exclusive licensee, as distinct from an owner, could sue for the misuse of confidential information only if the defendant had acted with *dolus*. Having quoted Corbett J’s remarks in *Dun and Bradstreet*³⁵ about the relevance of fairness and honesty in determining the limits of lawful competition, his lordship continued:³⁶

“If A is in lawful possession of the confidential information of B and such possession was obtained by A to further his own business interests, it would be a wrong committed against A for C, a trade rival of A, to obtain that information by dishonest means from A for the purpose of using it to the detriment of the business of A. That it might also be a wrong committed against B is another

33 That Theron J regarded intention as crucial to liability appears clearly from his summary of the requirements for an interdict in the matter before him (251A – B). Expressly applying *Geary & Son (Pty) Ltd v Gove* (*supra*), he said that the plaintiff had to establish “(1) that the defendant has, by word or conduct or both, made a false representation; (2) that it knew the representation to be false; (3) that the plaintiff has lost or will lose customers; (4) that the false representation is the cause thereof; and (5) that the defendant intended to cause the plaintiff that loss by the false representation”. As to (5), he continued, *dolus eventualis* would suffice (251C – D). Theron J went on to say that in *Dun and Bradstreet* Corbett J “accepted the *ratio* of the Appellate Division decision [in *Geary and Son (Pty) Ltd v Gove*] to have been that it was unlawful for a rival trader to make *fraudulent* misrepresentations as to his own business”, and that in *Stellenbosch Wine Trust* Diemont J “regarded it as established that a trader who made *fraudulent* misrepresentations about his own business to the detriment of his rival’s business was guilty of unlawful interference” (251F – G; my emphasis). Van Heerden and Neethling *op cit* 89 correctly point out that Theron J erred in requiring any form of fault for an interdict (see too Van Schalkwyk J in *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd* 1988 2 SA 350 (W) 355E – I). But this does not affect the argument that intention is necessary to satisfy the wrongfulness element.

34 1980 3 SA 687 (W).

35 218 – 219.

36 696 – 697.

matter. Once there is dishonest conduct of the type just posited and loss or damage suffered thereby to the person against whom the wrong has been committed, it seems to me that the requisites for Aquilian liability are present.”

The court concluded:³⁷

“Where the information has been obtained by C by honest means or by means having nothing to do with A (who is not the owner of the information or trade secret) it is only the owner B who can sue for common-law infringement . . . However, where such information has been improperly obtained by C from A in circumstances where its use by C will cause damage to A then the latter has a right in his own name to protect his own interests.

This conclusion is no doubt a further extension of the Aquilian relief for ‘unfair competition’. However, such extension seems to me to be implicit in the judgments to which I have already referred.”

This is more than just another case in which “unfair competition” involved an element of deliberate dishonesty and filching between the parties. Here the defendant’s liability to the licensee is expressly made to depend on procurement by dishonest means — ie *dolus*. Thus the judgement supports my contention that the form of fault — ie *dolus* — is significant in deciding whether particular conduct is unlawful. For the *ratio* of the decision is that misusing trade secrets is unlawful *vis-à-vis* the licensee only if the secrets are procured by improper means, ie with *dolus*.³⁸

37 697E – G.

38 It is true that Goldstone AJ also said (697E – F) that the *owner* could sue even where the information had been obtained by honest means — ie without *dolus*. But the remark was *obiter*: the owner’s rights were not in issue. Moreover, the case cited by Goldstone AJ in support of this proposition — *Clifford Harris (Pty) Ltd v SGB Building Equipment (Pty) Ltd* 1980 2 SA 141 (T) — is not in point. In this case the full bench (per Nicholas J) decided merely that the licensee of a patent has no action for infringement. Obviously an action for patent infringement is quite different from a delictual action for unfair competition. The court said nothing about the patent owner’s right to sue for infringement. No doubt there is no requirement of fault on the part of the infringer, but that is because infringement is *prima facie* wrongful. On the other hand, in an action for unfair competition the lawfulness or otherwise of the defendant’s conduct is the central issue. Since (as the authorities make clear) it is not the interference with a proprietary interest but the interference with the plaintiff’s “*werfkrag*” that is the essence of the wrong, it should make no difference whether the plaintiff is the owner or merely a licensee. Thus it is submitted that in an action for unfair competition (as distinct from an action for infringement of a patent) it makes no difference whether the plaintiff is the owner or a licensee: dishonesty — ie *dolus* — is required for wrongfulness in both instances.

In 1981 Van Dijkhorst J, in *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd*,³⁹ attempted to refine the criterion of unlawfulness in competition cases not falling within a stereotyped category. Having concluded from a review of the cases that it was “clear . . . that what HJO van Heerden advocated in 1958 has now firmly become entrenched, namely that the law of South Africa recognizes and grants a general action in the case of unlawful competition, based on the principles of the *lex Aquilia*”,⁴⁰ Van Dijkhorst J essayed “to determine (if possible) the criteria applied and the scope thereof”.

Lamenting upon “the difficulty of determining the dividing line between lawful and unlawful interference with the trade of another”,⁴¹ Van Dijkhorst J noted that in *Dun and Bradstreet* Corbett J had “stressed the element of dishonesty as a criterion in the case before him”,⁴² and expressed agreement with Theron J’s interpretation of this in the *Stellenbosch Wine Trust* case (*supra*) as meaning “that Corbett J placed his emphasis on the element of dishonesty and did not suggest that “ ‘unfairness’ in any wide sense alone could render competition unlawful.”⁴³

His lordship continued:⁴⁴

“To summarize: The test of unfairness *per se* as basis for unlawfulness has not been accepted by our courts. On the other hand the courts have not been called upon pertinently to deal with the question. If fairness is to be the criterion which is to be applied, we would be lost in a sea of uncertainty. The individual regards as unfair that which is contrary to his moral convictions. But whose convictions are then to be decisive? A particular individual might regard as unfair trade practices commonly accepted in his society, eg. governmental competition with private enterprise or a price war between a chain store and a small corner grocery shop, where the outcome is the inevitable demise of the latter. Yet these are well-known phenomena. Unfairness *per se* cannot in my view be the criterion.

39 1981 2 SA 173 (T).

40 186D.

41 186E.

42 186G – H.

43 186 *in fine*.

44 187D – H.

Can the criterion be dishonesty? As appears from the cases to which I have referred, where relief was granted it was done on the basis of dishonest conduct. If dishonesty is the criterion the result in the *Post Newspaper* case would have been different. As appears from the judgment therein dishonest puffery in extolling one's own wares is sometimes countenanced by the law. It follows that honesty could not in all cases serve as a criterion for lawfulness in cases of interference with the trade of another. To regard as lawful all cases where a trader acted honestly would put the stamp of approval upon cases where it may well be regarded that there was 'unfair' competition. I think of cases such as the truthful disparagement by one trader of the goods, character, race, nationality or religion of his competitor; or where a trade boycott is *bona fide* organized against a competitor."

Having referred to the law of the United States, England, Germany and the Netherlands, Van Dijkhorst J then offered his own criterion of unlawfulness in competition:⁴⁵

"What is needed is a legal standard firm enough to afford guidance to the court, yet flexible enough to permit the influence of an inherent sense of fair play.

I have come to the conclusion that the norm to be applied is the objective one of public policy. This is the general sense of justice of the community, the *boni mores*, manifested in public opinion.

In determining and applying this norm in a particular case, the interests of the competing parties have to be weighed, bearing in mind also the interests of society, the public weal. As this norm cannot exist *in vacuo*, the morals of the market place, the business ethics of that section of the community where the norm is to be applied, are of major importance in its determination."

As Van Dijkhorst J correctly observed,⁴⁶ this criterion is the same as the general criterion of unlawfulness for Aquilian liability propounded in *Minister van Polisie v Ewels*.⁴⁷ It follows that considerations which influence the determination of unlawfulness for the purposes of Aquilian liability in general may also be relevant in determining the unlawfulness of competition. As I have already shown, one such consideration is the defendant's fault or men-

45 188 – 189.

46 At 189A – B; see too *Schultz v Butt* (*supra*).

47 1975 3 SA 590 (A) 597A.

tal state: Did he act with deliberate dishonesty or merely negligently? Did he have a malicious or ulterior motive?⁴⁸

The same learned judge had a further opportunity to express his views on unlawful competition shortly afterwards, in *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd*.⁴⁹

In *Harchris Heat Treatment (Pty) Ltd v Iscor*⁵⁰ O'Donovan J applied these "norms of justice and fair play demanded by public policy"⁵¹ to hold that the defendant had committed the delict of unfair competition by copying the plaintiff's furnace. It had "saved itself a good deal of time, trouble and expense by doing so" and had obtained the necessary information — which would otherwise not have been disclosed — "in the context of negotiations, as well as an existing contract, between the parties".⁵² Again, this finding of unfair competition was based on the defendant's deliberately dishonest conduct in filching the plaintiff's intellectual property.

The wrong of unfair competition eventually engaged the attention of the Appellate Division in *Schultz v Butt*.⁵³ The applicant, a boat builder, had developed the design of a fibreglass ski-boat hull over a period of many years by conducting numerous experiments and spending a great deal of money. These hulls he manufactured and sold. The respondent, also a boat builder and in direct competition with the applicant, obtained one of the applicant's hulls by purchasing it from a third party. From this hull he made a mould

48 A case not referred to by Van Dijkhorst J is *Administrateur, Natal v Trust Bank van Afrika Bpk (supra)*, where Rumpff CJ, while bringing liability for negligent misstatements within "die uitgebreide trefgebied van die *lex Aquilia*" (832 *in fine*), nevertheless stressed that particular attention had to be paid to the element of unlawfulness (in the sense of "'n regsplig") in such cases to combat "[d]ie vrees van die sg 'oewerlose aanspreeklikheid' " (833 *pr*). In short, the fact that a particular form of wrongdoing is redressed under the *lex Aquilia* does not mean that it does not present problems peculiar to itself or necessitate the imposition of additional requirements of liability not imposed with other forms of wrongdoing (see further above).

49 1981 3 SA 1129 (T).

50 1983 1 SA 548 (T).

51 As set out in *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd (supra)*.

52 554G.

53 1986 3 SA 667 (A).

and proceeded to manufacture identical hulls from it which he sold in competition with the applicant. Moreover, he applied to register three designs in respect of this hull, claiming that they were original and that he was the proprietor of them. The trial court's decision to grant an interdict on the basis of unlawful competition was confirmed by the Appellate Division.

Having stated the general principle that everyone is free to trade provided that he acts lawfully, Nicholas AJA said:⁵⁴

“In order to succeed in an action based on unfair competition, the plaintiff must establish all the requisites of Aquilian liability, including proof that the defendant has committed a wrongful act. In such a case, the unlawfulness which is a requisite of Aquilian liability may fall into a category of clearly recognized illegality, as in the illustrations given by Corbett J in *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd . . .*”

The learned judge quoted the passage from *Dun and Bradstreet* in which Corbett J conceded that fairness and honesty were “somewhat vague and elastic terms”, and proceeded to endorse the amplifications of those criteria by Van Dijkhorst J in the *Atlas Organic Fertilizers* and *Lorimar Productions* cases (*supra*). He then said:⁵⁵

“In judging of fairness and honesty, regard is had to *boni mores* and to the general sense of justice of the community . . . Van der Merwe and Olivier *Die Onregmatige Daad in die Suid-Afrikaanse Reg* 5 ed at 58 n 95 rightly emphasize that

‘die regsgevoel van die gemeenskap’ opgevat moet word as die regsgevoel van die gemeenskap se beleidmakers, soos wetgewer en regter’.

While fairness and honesty are relevant criteria in deciding whether competition is unfair, they are not the only criteria. As pointed out in the *Lorimar Productions* case *ubi cit*, questions of public policy may be important in a particular case, eg the importance of a free market and of competition in our economic system.”

Nicholas AJA pointed out that ordinarily anything in the public domain may be lawfully copied, and continued:⁵⁶

54 678G – J.

55 679C, E.

56 681D – E.

“But the question to be decided in this case is not whether one may lawfully copy the product of another but whether A, in making a substantially identical copy, with the use of B’s mould, of an article made by B, and selling it in competition with B, is engaging in unfair competition.”

The learned judge quoted from the *International News Service* case (*supra*) and from Christine Fellner *The Future of Legal Protection for Industrial Designs* (1985), opining that the principles there stated accorded with those of our law.⁵⁷ Applying these principles to the facts before him, he concluded:⁵⁸

“There can be no doubt that the community would condemn as unfair and unjust Schultz’s conduct in using one of Butt’s hulls (which were evolved over a long period, with considerable expenditure of time, labour and money) to form a mould with which to make boats in competition with Butt. He went further. Having trespassed on Butt’s field, he added impudence to dishonesty by obtaining a design registration in his own name for the Butt-Cat hull, with the object no doubt of forbidding the field to other competitors.”

And so the order granting an interdict was confirmed, though slightly varied.

The significance of *Schultz v Butt* for present purposes is that, while it confirmed authoritatively the existence of an Aquilian delict of unlawful competition in the *Dun and Bradstreet* sense, together with the criteria of wrongfulness enunciated by Van Dijkhorst J in the *Atlas* and *Lorimar* cases, it in no way extended the type of conduct amounting to such competition. In other words, the conduct of Schultz clearly amounted to a deliberate and dishonest “filching” of the product of Butt’s labour, skill and expenditure.

Finally, one may note that in *Hawker v Life Offices Association of South Africa*⁵⁹ Howie J affirmed that malice “can be a factor to be taken into account in determining reasonableness or not [and hence lawfulness or not] in a borderline case”.

I come now to *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd 1*,⁶⁰ in which, I should mention, I had the honour of being a member of the excipient’s legal team. In that case one toothpaste manufacturer sought an

57 683C – D.

58 683H – I.

59 1987 3 SA 777 (C) 781E – F.

60 1988 2 SA 350 (W).

interdict against another, on the basis that the latter had made false claims for its product in an advertising campaign. It was not, however, alleged that the defendant had known the claims to be false, ie that it had acted with *dolus*. The excipient argued — as I have done in this paper — that without *dolus* its conduct could not amount to the wrong of unfair competition. But the court did not agree.

Analysing the authorities, Van Schalkwyk J said that although fairness and honesty were useful tools in determining the limits of lawful competition, it did not follow that their antithesis defined the limits of unlawful competition:⁶¹

“In short, whilst conduct which is unfair or dishonest might also be unlawful, it does not necessarily follow that unlawful competition must be either dishonest or unfair (at least not in the sense in which these words may be used as evidencing wilful conduct).”

In relation to the *Atlas Organic Fertilizers* case (*supra*), his lordship commented:⁶²

“If *dolus* is a prerequisite I find it hard to understand why Van Dijkhorst J who was, after all, engaged in a process of definition, should not have said so. Why place reliance upon *boni mores*, which is an abstraction, the specific application of which, as was evident in this case, confounds even experienced jurists when the comparatively simple formulation, wrongfulness and *dolus*, was to hand.”

My answer to these arguments is this: It is not my contention that a requirement of *dolus* “follows”, as a matter of logic, from the emphasis on fairness and honesty in the judgments. Nor do I propose that the “comparatively simple formulation, wrongfulness and *dolus*”, replace the “*boni mores*”, as Van Schalkwyk J put it. I say only that all the cases in which unfair competition has been held also to be unlawful competition have in fact involved deliberate dishonesty. I say that the *boni mores* (which, assuming the phrase is used in the sense adumbrated in *Schultz v Butt* (*supra*), can never be replaced by any “comparatively simple formulation” — at least not when the wrongfulness of a *prima facie* lawful act of competition is in issue) do not demand that honest advertising claims be branded wrongful

61 354G – H.

62 357F – G.

merely because they are in fact false. And I say that the “new delict” of unfair competition — if I may call it that — was born and nourished in a climate of calculated depravity. In that environment it filled a need. To apply it to another type of conduct which — though misguided — is at least honest is, in my submission, an extension not contemplated by those who fathered the principle, not warranted by the authorities that support it, and not consonant with the conservative approach of our law to new situations, as set out in the *Lillicrap* case (*supra*).⁶³

As the authorities show, the fact that liability for unlawful competition is based on Aquilian principles has not deterred the courts from insisting upon different requirements for different forms of unlawful competition. Thus passing-off requires proof of a reputation, though not of intention.⁶⁴ It is my submission that unfair competition requires an element of dishonesty that cannot exist without intention.

In *Geary and Son (Pty) Ltd v Gove* the court required intention. Though several writers have contended that, since the action is Aquilian, negligence should suffice, this is a *non sequitur*. First, the fact that all forms of unlawful competition are Aquilian delicts does not imply that all have the same fault requirement. Secondly, our law recognizes that the kind of fault that accompanies a defendant’s conduct may affect the lawfulness of that conduct. Just as a fraudulent misstatement is *prima facie* wrongful whereas a negligent misstatement can be held wrongful only after anxious consideration, competition, though unfair, should not be branded wrongful unless it is accompanied by intention. Since the issue is one of wrongfulness, not fault, it remains relevant even in interdict proceedings, despite the fact that fault is not a requirement for an interdict.

The very essence of the delict recognized in *Dun and Bradstreet*, I submit, is the defendant’s deliberate dishonesty in “filching” the fruits of the plaintiff’s skill, labour and expenditure, in an endeavour to “reap where it has not sown”. Subsequent cases in which unfair competition has been held unlawful have exhibited the same features. Most of the judgments, while af-

63 See also in general Visser “Die rol van opset en die *boni mores* by onregmatige mededinging” 1989 *THRHR* 115 *et seq* (editor).

64 See *John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd* 1977 3 SA 144 (T) 158 *pr*.

firming the “broad principle” of liability for unlawful competition, reveal considerable conservatism in applying it.⁶⁵

If, then, the tenor of our judgments is to approach the “new delict” of unfair competition cautiously and with circumspection — as I believe it is — to impose liability on the basis of mere negligence would, I suggest, be an unwarranted extension of the concept. For, useful as it undoubtedly is to curb “the ingenuity of parasitical entrepreneurs and trade pirates” — to quote Van Dijkhorst J in the *Atlas Organic Fertilizers* case⁶⁶ — the notion of a non-specific form of unlawful competition, delineated in each case, essentially, by judicial discretion, dwells at the very heart of the tension between freedom to trade as one pleases and respect for the rights of others.⁶⁷ The flexibility that its unstructured character implies is at once its strength and its weakness. While that flexibility gives our courts the freedom they need to proscribe trade practices that offend against the community’s sense of fairness and honesty, the considerations of public policy that play a part in the determination of wrongfulness demand that constraints be placed on its unbridled application. As always, freedom entails responsibility.

65 In *Prok Africa (supra)* Goldstone AJ required that the procurement of confidential information be *by dishonest means* before a licensee could sue. In *Atlas Organic Fertilizers (supra)* Van Dijkhorst J, having stressed the public interest in allowing freedom of trade and competition, eventually dismissed most of the claims because some traditional requirement was lacking. In *Lorimar Productions (supra)*, too, freedom to trade won the day.

66 *Supra* 183D–E.

67 On the difficulty of determining whether interference with another’s “goodwill” should be regarded as wrongful, see *A Becker & Co (Pty) Ltd v Becker* 1981 3 SA 406 (A) 417, and Neethling, Potgieter and Visser *Deliktereg* 256–257.

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The territorial limitations of repute in passing off, and the applicability of unlawful com- petition to situations created by international trading

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A legal system, in order to remain effective, must possess the flexibility to enable it to adapt to change in the situations it is required to regulate. In recent times, the law relating to passing off has been faced with a vast variety of new commercial practices and techniques which have taxed its adaptability to the utmost. It has responded to this challenge in various ways. In the United Kingdom, for instance, the scope of passing off has been so widened by judicial interpretation that it has become virtually a new tort. In this country a more satisfactory solution has been reached through the recognition that passing off is not a separate delict in itself, but merely a particular form of the wider wrong of unlawful competition. It may even be that at some future time the whole concept of regarding passing off as a compartmentalised form of unlawful competition, operating within its own confines, will be abolished. Unless and until that happens, however, one must deal with the law as it exists at present.

* *BA(Witwatersrand) LLB(Pret). Judge of the Natal Provincial Division of the Supreme Court of South Africa.*

The implications of the recognition that passing off is merely a form of unlawful competition, are clearly too vast to be dealt with in one paper. I have, therefore, decided to select one particular field of application of the law relating to passing off in which many feel its lack of adaptability has led to unsatisfactory results. The field which I have chosen, is that in which the conduct complained of takes place in an area where the trader who alleges that he has been injured thereby is not actively engaged in the market, although he is trading elsewhere: in another district, or even in another country.

It is proposed firstly to examine the degree of protection which is, in practice, being afforded to such a trader by the law relating to passing off; and then to consider whether there does not exist within the wider field of unlawful competition a more satisfactory remedy.

Because the first leg of the enquiry is confined to passing off, it will be necessary briefly to mention those characteristics of that particular delict which distinguish it from other forms of unlawful competition. These characteristics consist of two broad limitations: a limitation as to the type of act whereby the delict is committed and a limitation as to the type of property which is protected; and it is the second of these which is relevant.

The nature of the property protected in passing off is the existing goodwill of the trader in his business, goods or services.

Perhaps the most useful decision defining goodwill is that of *The Commissioners of Inland Revenue v Muller and Co's Margarine Ltd*,¹ where Lord Macnaghten said the following:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at the first start.”

This passage has been repeatedly applied to passing off in the United

1 [1901] AC 217 (HL) 223.

Kingdom² and has also been adopted in a number of South African decisions including decisions relating to passing off.³

As is apparent from it, the goodwill which is protected in passing off is dependent upon an existing reputation. That this is the position under South African law has been reaffirmed in several recent decisions, including the *Dallas* case⁴ and has not been affected by the recognition that passing off is a form of unlawful competition.

In contrast to this concept of goodwill, the right which is protected against unlawful competition generally has been described by the learned authors of *Onregmatige Mededinging*⁵ as the right of a trader to the attractive force (or “werfkrag”) of his undertaking — a concept which also found approval in the *Dallas* case.⁶ This concept of the attractive power of an undertaking is seen as being a product of all the constituent elements forming the organisational whole which constitutes the undertaking. As such it would undoubtedly include the attractive power of goodwill flowing from an existing reputation; but would not be limited to such goodwill.⁷ This difference may well have a bearing on the present enquiry.

A further feature of the goodwill protected against passing off, which is highly germane to the present problem, is that it is subject to territorial limits. In the passage quoted Lord Macnaghten went on to say:

“The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates. For my part, I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached

2 See eg *HP Bulmer Ltd and Showerings Ltd v J Bollinger SA* [1978] RPC 78 93–95.

3 *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd* 1981 3 SA 1129 (T) 1138–1139; *Tie Rack plc v Tie Rack Stores (Pty) Ltd* 1989 4 SA 427 (T).

4 *Supra*; and see *Adcock-Ingram Products Ltd v Beecham SA (Pty) Ltd* 1977 4 SA 434 (W) 436–437; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings* 1983 3 SA 917 (W) 924.

5 Van Heerden and Neethling *Die Reg aangaande Onregmatige Mededinging* (1983) ch 4.

6 *Supra*; and cf *Universiteit van Pretoria v Tommie Meyer Films (Edms) Bpk* 1977 4 SA 376 (T); 1979 1 SA 441 (A).

7 Cf *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd* 1972 3 SA 152 (C).

to a business. Destroy the business and the goodwill perishes with it, though elements remain which may perhaps be gathered up and revived again.”⁸

This passage too has been applied to passing off cases in South Africa and appears to have found general acceptance in our courts.

Before concluding this discussion of general principles, there is one further distinction which I should emphasize. It is clear from the authorities to which I have referred that reputation and goodwill are not synonymous.⁹ Goodwill flows from an existing reputation and cannot exist without it; but it does not follow that one cannot have a reputation without a concomitant goodwill.

I turn now to the particular problem under consideration. It will be necessary to distinguish between two different situations in which it may arise. The first is where the acts complained of and the business affected are within one and the same jurisdiction, but in different areas; and the other is where the acts are committed in a country other than that in which the business is situated.

Where a trader has limited the activities of his undertaking to a circumscribed area within the jurisdiction, in such a way that its reputation is effectively confined to that area, then the goodwill flowing from that reputation is subject to the same territorial limitation. The protection against passing off which the law affords to the trader in whom that goodwill vests is not, however, necessarily confined to the area in which the goodwill exists.

Generally speaking, the courts have shown themselves ready to recognise the fact that acts committed outside the geographical area of an existing goodwill can nonetheless cause damage to that goodwill, and should be restrained if they do. Whether or not they will cause such damage is a question of fact depending on the nature of the goodwill and the sort of act committed or threatened. There is no South African decision directly in point, but there are several English cases in which such relief has been granted.¹⁰ The princi-

⁸ See also *Star Industrial Co Ltd v Yap Kwee Kor* [1976] FSR 256 269 (HL).

⁹ Cf *The Athletes Foot Marketing Associates Inc v Cobra Sports Ltd* [1980] RPC 343 354; *Anheuser-Busch v Budejovicky Budvar* [1984] FSR 464–465.

¹⁰ *Ewing v Buttercup Margarine Company Ltd* (1917) 34 RPC 232; *Brestian v Try* [1958] RPC 161 (CA); *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] RPC 189.

ples applied in them are entirely consistent with our law, but as they were largely concerned with what is essentially a factual enquiry, no purpose will be served by referring to them in any detail.

The general approach was that if once the defendant's conduct would lead people to conclude that his goods or business were those of, or connected with those of the plaintiff, it will be likely to damage the goodwill of the plaintiff even if such goodwill is confined to a different area. The matter cannot be decided on a mere allocation of goodwill by areas. Although distance might in some cases reduce or even remove the likelihood of deception, that must remain a question of fact in each case. In deciding it, not only must reasonable scope be allowed for the expansion of the plaintiff's business by the opening of new branches, but the possibility of expansion by the defendant must also be taken into account. Moreover, regard must be had to the modern propensity of people to move about all parts of the country, whether for living, business or holiday; and to the fact that labelled goods can readily move with their owners in the same way.

A similar approach has been adopted in Rhodesia.¹¹

I have devoted some time to the principles regulating the geographical limits of the action for passing off in an entirely domestic situation, because one would expect them to apply *mutatis mutandis* to the situation where acts which are committed within the jurisdiction, are calculated to damage the goodwill of a business which is conducted outside the jurisdiction. The reality is, however, not so simple.

The complication in the international situation arises from the primarily jurisdictional requirement that the property damaged or threatened by the acts complained of, must be situated in this country before our courts have the power to grant relief either in the form of an interdict restraining those acts or in the form of compensation for the damage they have occasioned. This requirement, as applied to passing off, means that the goodwill adhering to the name or other symbol in issue must exist (at least in part) within the jurisdiction of the court; and this, in turn, has been interpreted as requiring that the business to which the goodwill relates, must to some extent be conducted within this country.

11 *Pockets (Holdings) Ltd v Oak Holdings Ltd* 1953 2 SA 659 (SR).

Since these requirements were initially laid down by the English courts and subsequently taken over by our own, it will be necessary to embark upon a brief survey of the English decisions to appreciate the implications of our adoption of them.

The definitive decision in English law on the nature of passing off today is that of the House of Lords in 1979 in the *Advocaat* case.¹² The formulation by Lord Fraser of Tullybelton¹³ is the most explicit and includes the requirements (a) that the business of the plaintiff should consist of or include selling in England a class of goods to which the particular name applies; (b) that that name should identify and distinguish those goods in the minds of the public in England; and (c) that the plaintiff, as a seller of those goods, is the owner of goodwill in England which is of substantial value.

These requirements are derived from a long line of decisions which have been frequently discussed in judgments and textbooks¹⁴ and no constructive purpose will be served by going through them again in detail.

Whilst these decisions recognised from the outset the necessity for the existence of a goodwill within the area of jurisdiction and have consequently required that the plaintiff should conduct some overt trading activity within that area, the tendency developed of accepting minimal evidence of trading within the jurisdiction as sufficient to meet that requirement.¹⁵ One of the considerations which led the courts to grant relief in these cases was that the plaintiff was entitled to retain the possibility of exploiting its own reputation in the United Kingdom by trading there in the future, without that possibility being diluted by the defendant before it did so.

This accommodating attitude of the courts received a setback in the so-called *Crazy Horse* case,¹⁶ in which the court put an end to the practice of paying

12 *Erven Warnink Besloten Vennootschap v J Townend & Sons (Hull) Ltd* [1979] AC 731; [1980] RPC 85.

13 755–756 105.

14 See eg Kerly *Law of Trade Marks and Trade Names* 11th ed par 16–18, 332–334; Halsbury *Laws of England* 4th ed Vol 48 par 180, 133–135; Chowles and Webster *SA Law of Trade Marks and Trade Names* 3rd ed 421 fn 83.

15 *Panhard et Levassor v Panhard Levassor Motor Co* [1901] 2 Ch 503; (1901) 18 RPC 405; *Poiret v Jules Poiret Limited and AF Nash* (1920) 37 RPC 177; *Sheraton Corp of America v Sheraton Motels Ltd* [1964] RPC 202.

16 *Alain Bernardin et Compagnie v Pavilion Properties Ltd* [1967] RPC 581.

no more than lip-service to the requirement of a local goodwill established by local trading activities. The court refused an injunction on the basis that the foundation of the action for passing off is the protection of goodwill and that the sending of advertisements and the recollection of travellers returning to the United Kingdom falls far short of creating the sort of goodwill which could be protected by a passing off action in that country. Insofar as the earlier cases referred to the possibility of the plaintiff exploiting its own goodwill in the future, the court pointed out that this consideration postulated that it had some existing goodwill to be exploited. The fact that the defendant had clearly appropriated the name with the sole purpose of “cashing in on the plaintiff’s reputation in the wider sense” did not avail the plaintiff, if that reputation lacked a concomitant goodwill within the jurisdiction of the court. The court reached this conclusion with considerable reluctance — and understandably so, for the result does not appear to be consonant with equity, however much it accords with legal principle.

This feeling gave rise to several judgments in which the *Crazy Horse* case was not followed.¹⁷

The motivation of these dissident decisions appears to be twofold. Firstly, it was felt that the *Crazy Horse* case did not do justice to the factual situation when the foreign trader does indeed have a reputation within the jurisdiction. Secondly, it was considered that the *Crazy Horse* case opened the door to the appropriation of the benefits of that reputation with impunity by other traders who had no legitimate claim to it. The solution devised was to regard mere reputation as sufficient for passing off, and to dispense entirely with the requirement of goodwill.

This revolutionary trend did not gain general support, however, and subsequent decisions have reverted to the approach laid down in the *Crazy Horse* case,¹⁸ which now enjoys general acceptance.¹⁹

17 *Baskin-Robbins Ice Cream Co v Gutman* [1976] FSR 545; *Maxim’s Ltd v Dye* [1977] FSR 366; and, in the Supreme Court of Ireland, *C & A Modes v C & A (Waterford) Ltd* [1978] FSR 126.

18 See *Weinerwald Holding AG v Kwan, Wong, Tan & Fong* [1979] FSR 381; *Metric Resources Corp v Leasematrix Ltd* [1979] FSR 571; *Athletes Foot Marketing Associates Inc v Cobra Sports Ltd* [1980] RPC 343.

19 Cf *Home Box Office Inc v Channel 5 Home Box Office Ltd* [1982] FSR 449; *adidas Sportschufabriken Adi Dassler KG v Charles O’Neill and Co Ltd* [1983] FSR 77; *Esanda Ltd v Esanda Finance Ltd* [1984] FSR 96 (in the High Court of New Zealand); *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] FSR 413 464 – 467.

The matter was first considered in this country in 1959 in the case of *Slenderella Systems Inc of America v Hawkins*.²⁰ After re-affirming that the right of property protected in passing off is the goodwill enjoyed by a person in respect of his trade or goods, Williamson J accepted that that right could only be enjoyed by a *peregrinus* where it existed in regard to his name or goods within the jurisdiction of the court. Relying upon the English authorities up to that time, the learned judge held that the party complaining of passing off must show that he has a right of property within the jurisdiction of the court he has approached to which damage is likely to result unless an interdict is granted. On the facts the petitioners failed to establish any such right in South Africa in the name “Slenderella” as applied to the slenderising business. The fact that they had used the name in other jurisdictions or that publications from overseas containing their advertisements had perchance been circulated and read by persons in this country did not avail them, nor did the fact that they had contemplated opening business under the name in this country. The learned judge stressed that he was not concerned with the morality of copying a name under such circumstances, but merely with whether a right of property belonging to the overseas firm in this jurisdiction had been infringed — a remark which leads one to believe that he had some misgivings as to the equity of the result.

The question was next considered in the *Dallas* case, the facts of which are too well-known to warrant repetition.

The applicants relied upon both passing off and unlawful competition, and in dismissing the claim based on passing off the court stated, as a premise, that there can be no passing off when the complainant has no reputation or goodwill because there can be no deception of the public. Whilst this elliptical statement is correct insofar as reputation is concerned, it is, with respect, not accurate when applied to goodwill. If the complainant has a reputation but no concomitant goodwill, there will be no passing off, not because there can be no deception, but because whatever deception may occur, will not occasion damage to this goodwill.

The court went on to find that the reputation of the first applicant in South Africa extended only to the entertainment field and that the applicants had no reputation in this country in respect of clothing or the restaurant business,

20 1959 1 SA 519 (W) 521; followed in *Haggar Co v SA Tailorscraft (Pty) Ltd* 1985 4 SA 569 574.

the fields in which respondents traded. Since it had not been shown that the public would associate first applicant with clothes or restaurants, the applicants had failed to make out a *prima facie* case for deception or the likelihood thereof arising from the use of their symbols in these fields.

The decision could simply have rested on this factual finding: for once it was held that no misrepresentation was being made, that was an end to the matter. The learned judge went further, however, and also based his decision on a finding that the first applicant had no goodwill in South Africa, save in the entertainment field; and that it had accordingly failed to meet the requirement of goodwill in an action for passing off. In making this finding he referred with approval to the *Slenderella* and *Crazy Horse* cases. Apart from being *obiter*, this reasoning is, with respect, questionable: for the fact that first applicant's goodwill in South Africa was limited to the entertainment field would not necessarily have meant that the use in another field of the symbols to which that goodwill adhered was not passing off; provided only that such use gave rise to the false impression that the goods or services in respect of which it took place were connected with the first applicant. The necessity for a common field of activity in passing off was dispensed with by the Appellate Division in the *Holiday Inns* case.²¹ But be that as it may, the *Dallas* case re-affirmed the applicability of the *Crazy Horse* principle in our law.

This position was again confirmed in the recent decision of *Tie Rack plc v Tie Rack Stores (Pty) Ltd*.²² The applicant once more relied upon both passing off and unlawful competition.

It was established that despite the absence of any trading activities by the applicant in this country, its reputation in the symbols in issue in South Africa was such that the use thereof by the first respondent was calculated to and did in fact deceive shoppers into believing that it was associated with the applicant's business. The court also concluded that the first respondent had deliberately copied the applicant's business name, get-up and image, but nevertheless dismissed the claim based on passing off on the ground that the applicant had failed to establish that it had any goodwill in this country. The learned judge expressed the view that all the decisions were *ad idem* that

²¹ *Capital Estate and General Agencies (Pty) Ltd v Holiday Inns Inc* 1977 2 SA 916 (A).

²² *Supra*.

it was essential for the claimant in a passing off case to establish a local goodwill, and that whatever controversy there was really related to whether that essential had been established on the facts of each case.

In any event, he regarded himself as being bound by the decision in the *Slenderella* case, with which he concurred.

As appears from these decisions, the requirement of some trading within the jurisdiction appears to be relatively firmly entrenched in our law. It is unlikely that any impetus for change will come from the English system, where, despite the measure of dissension experienced at one stage, the requirement appears authoritatively to have re-asserted itself. Whilst participation in the European economic community will undoubtedly force the United Kingdom to modify its stance to the limited extent necessitated thereby, the insularity which traditionally characterises the British approach is likely to prevent their courts from making any avoidable changes which will accord foreign traders greater rights at the expense of their own. Although the matter has not yet come before the Appellate Division in this country, there does not appear to me to be any reason to expect a radical departure from the view adopted by the Transvaal courts. Their view not only accords with that re-affirmed by the highest courts in the United Kingdom and other jurisdictions after exhaustive analysis; it also appears, as was said in the *Tie Rack* case, to be sound and in accordance with our law.

Predictably, this result has attracted the same criticisms in South Africa as it did in the United Kingdom.²³ There is, in fact, more justification for them than ever before: for the unprecedented development of trading on an international scale, coupled with the vast strides made in world communication media and the growth of international travel, have given rise to what could well be described as a world market-place. Merely to recognise that fact, however, does not solve the problem: for national boundaries are likewise a fact, and the courts operating within their confines can only extend to *peregrini*, in the absence of international treaty arrangements, such protection as their domestic law allows.

If any justification is to be found for granting additional protection at present, therefore, it must be sought within the framework of our existing legal sys-

23 See eg Dean "Stealing foreign fruits" 1989 *Businessman's Law* (Vol 19 Issue I) 7.

tem; and, in particular, in those areas where the remedies for unlawful competition have a wider scope than those for passing off.

At the outset of this enquiry two salient facts must be recognised. The first is that a symbol which is inherently adapted to distinguish an undertaking, can possess, in itself, an attractive force in respect of that undertaking, in the sense that it does not have to be acquired by use.²⁴ The second is that a distinguishing symbol which has been used with success in relation to an undertaking outside a country, can by virtue thereof acquire an attractive force within the country, notwithstanding the fact that it has never been used there in the course of trade.

Acceptance of the first of these facts brings with it a recognition of the right (albeit an accessory right) to the symbol itself as a component of the attractive force of an undertaking, in addition to whatever goodwill may be created by its use. It also explains the reason why relief can be granted in appropriate cases on the basis of unlawful competition for the filching of a symbol which has not yet acquired a reputation.²⁵ Accepting the existence of such a right, however, two fundamental points have still to be considered: how is it acquired, and, more important, where does it exist when once it has been acquired?

Where the distinctive symbol is one originated by the trader in relation to his undertaking, the courts have recognised the act of so originating it as vesting the right in him, but this affords no guidance to the usual case when the symbol is not the unique product of the trader's ingenuity. The cases relating to registration of trade marks have laid down, however, that in order to defeat an application by a prior claim to proprietorship of the mark, the objector must show that he had already overtly claimed a right to the mark in relation to his goods or services in the territory where registration is sought.²⁶

What acts would constitute such an overt assertion, have not been defined.

24 Cf eg Van Heerden and Neethling *op cit* 58 – 64.

25 *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra; Truck and Car Co v Herschmann* 1954 2 SA 117 (E) 121.

26 *Vitamins Ltd's Appn* [1956] RPC 1; *Broadway Pen Corporation v Wechsler & Co (Pty) Ltd* 1963 4 SA 434 (T); *Oils International (Pty) Ltd v Wm Penn Oils Ltd* 1965 3 SA 64 (T); 1966 1 SA 311 (A).

It would seem that an act whereby a common law right to the mark is created (such as use within the territory) or statutory rights are acquired (such as an application for registration in the territory) would suffice; but it is clear that mere use of the mark outside the territory is not enough.²⁷

What emerges from this discussion is that the acquisition of a right to a distinctive symbol, whether by origination or overt assertion, can only take place in relation to an undertaking and that such a right is accessory to that undertaking. The conclusion is inescapable that the right, when acquired, can only exist where that undertaking is carried on.

It follows that the extended protection conferred by the action for unlawful competition, based upon the right to a distinctive symbol in relation to an undertaking, does not afford any wider protection to a *peregrinus* than the action for passing off.

It remains to consider whether more effective relief can be obtained by basing the action on the right to the attractive force which a symbol possesses in a territory because it enjoys a reputation unaccompanied by local goodwill.

There can be no doubt that the trader appropriating such a symbol is thereby enjoying the benefits of a reputation created by the efforts of another; and, indeed, most appropriations of foreign marks occur with this specific purpose in mind. He is, to use a phrase frequently employed in the cases, "reaping where he has not sown". There can also be no doubt that his actions are at least potentially harmful to the foreign trader. They have the result of precluding the foreign trader from himself exploiting the symbol in this country, should he ever wish to do so. Moreover, if the use of the symbol in this country is associated with trading which is disreputable in any way, the tidings of that fact may spread to the regions where the *peregrinus* is in fact trading, and result in damage to his goodwill in those areas.

Attempts to bring such conduct within the ambit of unlawful competition in the past have received short shrift from the courts, although the reasons for refusing relief have varied from case to case. In the "*Colt 45*" case²⁸ the Court dismissed the application primarily on the basis that there was no

27 *P Lorrillard Co v Rembrandt Tobacco Co (Overseas) Ltd* 1967 4 SA 353 (T) 356.

28 *Carling National Breweries Inc v National Brewing Co (Pty) Ltd* 1979 2 SA 160 (T); December 1979 *SA Patent Journal* 126 (on appeal).

deceptive resemblance between the two marks involved, but also held that there had been no unlawful competition, firstly, because the applicants had not yet entered the local market and were therefore not competing with the respondents; and secondly, because the respondents' conduct was not manifestly unfair and therefore not unlawful by current norms.

In the *Dallas* case the claim based upon unlawful competition was likewise dismissed on the basis that copying of a distinctive symbol is not *per se* unlawful, when the copier uses it in a field totally unrelated to that in which it is known, and outside a direct competition situation.

In the *Tie Rack* case²⁹ the claim based on unlawful competition met a similar fate. The Court held that the parties were not in competition, because the applicant did not trade in this country nor had it even proved that it proposed to do so in the future. Under these circumstances the fact that the respondent had deliberately set out to copy its distinctive symbols and business did not avail it.

One cannot dispute that the denial of any relief to a *peregrinus* under these circumstances runs counter to one's feeling for morality and natural justice. And one can ask with justification whether the courts have been correct in dismissing the claims of the *peregrinus* in so cavalier a fashion. One may query, with respect, whether the requirement that the parties must be in competition with each other has not been unduly narrowly interpreted in these cases. Even within the narrower ambit of passing off, it will be recalled that the courts have regarded the likelihood of the claimant expanding his business to areas to which it does not yet extend as a ground for extending relief to those areas. One may also respectfully query whether the practice of copying a distinctive symbol devised and used by a foreign trader, with the purpose of exploiting the attractive power created by such use and of preventing the foreign trader from himself exploiting it in the local market, is as acceptable by current standards of commercial morality as the courts have held. But even if these were not sound grounds for refusing relief, the *peregrinus* bringing such an action will ultimately be faced with the same insurmountable obstacle: that he does not have what amounts in law to a protectable interest in this country. Every component of the attractive power of an undertaking must, from its very nature, have this in common: that

29 *Supra* 445 – 446.

it is dependent for its existence on the undertaking and consequently can only exist where the undertaking exists.³⁰ Whilst a symbol can possess an attractive force in this country as a result of its use in relation to a business elsewhere, that attractive force can only exist as the property of that business in this country when it had been localised by virtue of trading activity here.³¹

Whilst this situation does lead to inequitable results, there are, as in most legal and moral problems, two sides to the question. The laws of a country are there primarily for the protection of its citizens and not for the benefit of foreigners who have no stake in the country and whose own countries may not extend a similar protection to *peregrini*. There is a great deal to be said, in my view, for requiring a *peregrinus* to participate actively in the economic life of the country to some extent before he can claim, as of right, the protection of its courts.

30 *Cf Estate Agents Board v Lek* 1979 3 SA 1048 (A) 1064.

31 *Dominion Rent-a-Car Ltd v Budget Rent-a-Car Systems* (1987) 2 NZLR 935 421, quoted in the *Tie Rack* case *supra* 443.

5

Misappropriation of the advertising value of trade marks, trade names and service marks

BR RUTHERFORD*

1 Introduction

Traditionally the accepted function of a trade mark¹ was to indicate the origin or source of the product² in relation to which it was used and trade marks have always enjoyed protection on this basis.³ As a result of economic development in the twentieth century and especially the rapid growth of industry, effective product distribution and large scale promotion, it was realised

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1 In this paper reference to a trade mark includes a reference to a trade name and service mark.

2 The term product is used to denote both goods and services.

3 Initially a trade mark was regarded as a badge of origin in the limited sense of identifying the actual physical source of the product. With the passage of time this narrow concept has undergone a progressive widening and a trade mark is today regarded as a badge of origin in the sense of identifying a single unknown source. See *GE Trade Mark* (1969) RPC 418; *Shalom Investments (Pty) Ltd v Dan River Mills Inc* 1971 1 SA 689 (A); *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 3 SA 623 (A); *Protective Mining and Industrial Equipment Systems (Pty) Ltd v Audiolens (Cape) (Pty) Ltd* 1987 2 SA 961 (A).

that a trade mark no longer functions solely as an indication of origin and is, in fact, capable of fulfilling different functions.⁴ Apart from its source identifying function, a trade mark may also function as a symbol of quality and as an advertising or selling device.⁵ It is this latter function, namely the advertising function, which is regarded by modern commerce as the most important economic function of a trade mark.⁶

Today, through the use of sophisticated advertising techniques a manufacturer aims at promoting the sale of his product. In this regard, he makes use of his trade mark firstly, to identify and distinguish his product and secondly, as a conduit for the transmission of the persuasive power of his advertising. If his advertising campaign is successful and the product proves acceptable to the consumer, the trade mark will identify the product as satisfactory and will thereby stimulate further sales. The trade mark actually helps to sell the product. In this way the trade mark creates and retains custom. A trade mark, therefore, not only constitutes a symbol of the goodwill of the proprietor's business but is an important agent in the creation and perpetuation of that goodwill.⁷

The preservation of the reputation and unique identity of the trade mark and the selling power which it evokes is of vital importance to the trade mark proprietor in order to protect and retain his goodwill. Other traders will frequently wish to exploit the selling power of an established trade mark for the purpose of promoting their own products. The greater the advertising value of the trade mark, the greater the risk of misappropriation. Any unauthorised use of the trade mark by other traders will lead to the gradual consumer disassociation of the trade mark from the proprietor's product. The more the trade mark is used in relation to the products of others, the less likely it is to focus attention on the proprietor's product. The reputation and unique identity of the trade mark will become blurred. The selling power becomes eroded and the trade mark becomes diluted.⁸ The proprietor of the trade mark usually expends vast sums of money through advertising in order to build up the reputation and selling power or advertising value of his trade

4 See Isaacs "Traffic in trade symbols" 1930–31 *Harv LR* 1210.

5 Schechter "The rational basis of trade mark protection" 1927 *Harv LR* 813.

6 Schechter 1927 *Harv LR* 813; Stuart "The function of a trade mark and the free movement of goods in the EEC" 1976 *IIC* 27.

7 Schechter 1927 *Harv LR* 813.

8 Mostert "Parasitic use of the commercial magnetism of a trade mark on non-competing goods" 1986 *EIPR* 342.

mark. The growth of his business is dependent upon the growth of the meaning and importance of his trade mark. It is therefore only fair that he should be entitled to protect this valuable asset against misappropriation. Moreover, a misappropriator should not be allowed to obtain a promotional advantage for his product at the expense of the trade mark proprietor. Misappropriation of the selling power or advertising value of a trade mark is commercially injurious to the trade mark proprietor and results in the impairment of the goodwill of his business. It is submitted that such conduct is, in principle, unlawful⁹ and constitutes an infringement of his right to goodwill.¹⁰

It has been argued that the protection of trade marks against dilution amounts to the creation of a monopoly in the trade mark.¹¹ However, this argument ignores the nature of the subject matter which is protected. It is not the mark *per se* which is protected but the advertising value or selling power of the trade mark which may be the result of its inherent uniqueness, but is usually the result of an extensive advertising effort.¹² Misappropriation of the advertising value must be distinguished from passing off. Whereas passing off is concerned with the protection of the origin function of a trade mark, misappropriation of the advertising value is concerned with the protection of the advertising function of a trade mark. Passing off takes place within a competitive situation. It gives rise to a likelihood of confusion of consumers as to the origin of the products which in turn results in the diversion of customers to the defendant. Misappropriation of the advertising value, on the other hand, takes place both in- and outside a competitive situation and gives rise to trade mark dilution. Although misappropriation of the advertising value is often accompanied by an impairment of the origin function of the trade mark, the existence of any likelihood of confusion as to origin is not a requirement.¹³

9 According to the *boni mores* test laid down by the appellate division in *Schultz v Butt* 1986 3 SA 667 (A).

10 See Van Heerden and Neethling *Onregmatige Mededinging* (1983) 121 – 122.

11 See Brown “Advertising and the public interest: Legal protection of trade symbols” 1948 *Yale LJ* 1165.

12 See Callman *Unfair Competition, Trademarks and Monopolies* 3 ed 84.2(a). Mostert “Trademark dilution and confusion of sponsorship in the United States, German and English law” 1986 *IIC* 80 points out that to the extent that such protection does create a monopoly, it is justified by the fact that it will serve as an incentive to the proprietor to invest in the creation and perpetuation of goodwill. Society in turn will benefit from the production of better quality products and quality competition. In this way protection of the advertising value of a trade mark serves to promote competition.

13 Van Heerden and Neethling 121.

2 Common-law protection

Two basic forms of misappropriation of the advertising value can be distinguished:¹⁴ unconcealed or open misappropriation (“openlike aanleuning”) and concealed or veiled misappropriation (“bedekte aanleuning”).

Unconcealed misappropriation Unconcealed misappropriation usually takes place within the competitive situation, ie when the identical or confusingly similar trade mark is used in relation to competing products. A typical example of unconcealed misappropriation can be found in the practice of comparative advertising. A trader may, for example, state that his product is “a substitute for” or “as good as” or “better than” or “similar to” the well-known product of his competitor.¹⁵ In so doing the user diverts the positive association which the trade mark enjoys in relation to the proprietor’s product to his own product. The positive association is then shared and the selling power which it evokes no longer accrues solely to the established mark. The trade mark becomes diluted and the goodwill of the proprietor is impaired.¹⁶ Van Heerden and Neethling are of the opinion that conduct of this type is, in principle, unlawful.¹⁷ However, our courts will only grant a remedy on the ground of unlawful competition if the advertisement is disparaging.¹⁸

A further example of unconcealed misappropriation is the generic use of a trade mark by a competitor, ie use to denote a class of products. Such use likewise destroys the unique identity of the mark and results in trade mark dilution.¹⁹

14 *Idem* 122 *et seq*; Fezer “Trademark protection under unfair competition law” 1988 *IIC* 192.

15 There is no likelihood of confusion between the two products and therefore no traditional trade mark infringement or passing off.

16 Greiwe “Antidilution statutes: A new attack on comparative advertising” 1982 *TMR* 178.

17 123. According to the authors, such conduct is justified in only one situation, namely where a trader markets spare parts for another trader’s products and advertises the spare parts accordingly. The reason for saying that the conduct of the spare parts manufacturer is justified, is that the advertiser has no other way in which to bring the nature and purpose of his products to the attention of consumers.

18 See *Post Newspapers Ltd v World Printing and Publishing Co Ltd* 1970 1 SA 454 (W).

19 See Greiwe 1982 *TMR* 178; Wolf “Trademark dilution: The need for reform” 1984 *TMR* 311 319.

Unconcealed misappropriation can also take place outside any competitive situation, ie when the trade mark is used in relation to non-competing products. For example, a trader may state that his kitchen appliances are made with the same precision as a Rolls Royce or an Omega.

Concealed misappropriation Concealed misappropriation occurs in the traditional trade mark infringement or passing off situation.²⁰ In this situation both the origin function and advertising function of the trade mark are impaired. However, as adequate protection of the trade mark on the basis of its origin function is provided by the common law action for passing off or, in the case of registered marks, the statutory infringement action,²¹ reliance on misappropriation of the advertising value of the mark as a cause of action is unnecessary.

Concealed misappropriation also takes place outside any competitive situation, ie when an identical or confusingly similar trade mark is used in relation to non-competing products. The products may either be related or unrelated. A trader may, for example, use a representation of the highly-esteemed Rolls Royce trade mark in the background of his advertisement for his new brand of whisky and so capitalise on the reputation of the Rolls Royce trade mark by transferring to his whisky the positive association of outstanding quality which the trade mark enjoys in the minds of consumers.²² Further examples include the use of the well-known Kodak trade mark in relation to aspirins, Polaroid in relation to shoes or Johnny Walker in relation to motels.²³

In the first place, unconcealed misappropriation of the advertising value of a trade mark can give rise to trade mark dilution.²⁴ The unauthorised use of an established trade mark in relation to non-competing products (related or unrelated) will lead to the gradual consumer disassociation of the trade mark from the proprietor's product and the gradual whittling away of the selling power or advertising value of the trade mark. In the second place, where the mark is used in relation to products of an inferior quality, or where it is used in an offensive, degrading or unwholesome context, the positive

20 See Pattishall "The dilution rationale for trademark-trade identity protection, its progress and prospects" 1977 *TMR* 607 614.

21 See s 44(1)(a) of the Trade Marks Act 62 of 1963 as amended.

22 *Rolls Royce* 86 BGHZ 90; 1984 *IIC* 240.

23 For further examples see McCarthy *Trademarks and Unfair Competition* (1984) 24:10 24:11.

24 McCarthy 24:13; Wolf 1984 *TMR* 311.

reputation and good name enjoyed by the trade mark may become tarnished. One of the classic examples of this form of injury was the sale in the USA of posters bearing the words Enjoy Cocaine in the same script, colour and format as the well-known Coca Cola advertisement.²⁵ In order to succeed with an action based on unconcealed misappropriation of the advertising value, a plaintiff will have to prove the following: (a) that the trade mark possesses an advertising value; (b) that the defendant has used his trade mark or a confusingly similar mark on non-competing products without his consent; and (c) that his right to goodwill is infringed by the dilution or tarnishing of his trade mark.²⁶

The unauthorised use of a trade mark on non-competing but related products can give rise to an additional form of injury, namely confusion of sponsorship.²⁷ On seeing a similar trade mark on non-competing but related products the reasonably prudent purchaser is likely to believe that there is some connection, affiliation or sponsorship between the products of the misappropriator and the proprietor of the trade mark.²⁸ For example, persons familiar with Yale locks are likely to think that Yale flashlights are connected with or sponsored by the Yale Lock Company.²⁹ Similarly, persons are likely to think that Greyhound Tours or Greyhound Taxis are associated with or sponsored by the Greyhound Bus Company.³⁰

In the confusion of sponsorship situation both the origin function and advertising function of the trade mark are impaired.³¹ However, there is no passing off or trade mark infringement in the traditional sense as the con-

25 *Coca Cola Co v Gemini Rising Inc* (1972 ED NY) 346 F Supp 1183, 175 USPQ 56 cited by McCarthy 24:13.

26 The right to goodwill may be infringed outside the competitive situation; see, eg, *Harchris Heat Treatment (Pty) Ltd v Iscor* 1983 1 SA 548 (T).

27 Whether or not the goods in question are so related that confusion of sponsorship is likely, is a question of fact. It is only the unauthorised use of trade marks with a strong distinctive quality or well-known marks that will result in a confusion of sponsorship. The stronger a particular mark, the greater the likelihood of confusion of sponsorship.

28 See Hartman "Subliminal confusion: The misappropriation of the advertising value" 1988 *TMR* 506. The proprietor will also be prevented from expanding his line of business to products similar to those of the misappropriator.

29 McCarthy 24:11.

30 *Greyhound Corp v Goberna* (1942 CA5 Fla) 128 F 2d 806, 54 USPQ 45 cited by McCarthy 24:10.

31 Mostert 1986 *IIC* 80.

duct falls outside any competitive relationship. There is no common field of activity and therefore no question of any diversion of customers. The products in respect of which the trade mark is used, are not the same but are merely related.³²

In the case of *Capital Estate and General Agencies (Pty) Ltd v Holiday Inns Inc*,³³ a case of concealed misappropriation of the advertising value involving a confusion of sponsorship situation, protection of the trade mark was granted on the basis of the impairment of its origin function. A well-known hotel group applied for an interdict to restrain the respondent from using its trading style in respect of a shopping centre and duplex flats. The name "Holiday Inn" had become distinctive of applicant's business and had acquired an advertising value. It was well-known in the hotel industry, having been extensively promoted through advertising. The Appellate Division found that respondent's use of the name "Holiday Inn" was likely to cause confusion of sponsorship and that there was sufficient potential prejudice and injury to applicant's reputation to warrant the granting of an interdict. The court described the respondent's conduct as passing off³⁴ despite the fact that the parties were not competitors and there was no question of any diversion of customers.³⁵

32 Van Heerden and Neethling 125 set out the following requirements which must be met in order to succeed with an action based on confusion of sponsorship: (a) The trade mark must have acquired an advertising value; (b) the use of the trade mark by the defendant must be likely to cause confusion as to connection or sponsorship of defendant's product; and (c) the plaintiff's right to goodwill must be infringed by tarnishing or dilution of the trade mark.

33 1977 2 SA 916 (A).

34 The court defined passing off as follows (929): "The wrong known as passing off consists in a representation by one person that his business (or merchandise, as the case may be) is that of another, or that it is associated with that of another, and, in order to determine whether a representation amounts to a passing off, one enquires whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the one is connected with that of another." This definition is wide enough to encompass both a passing off and a confusion of sponsorship situation.

35 931. See also *Miriam Glick Trading (Pty) Ltd v Click's Stores (Tvl) (Pty) Ltd* 1979 2 SA 290 (T); *Searles Industrials (Pty) Ltd v International Power Marketing (Pty) Ltd* 1982 4 SA 123 (T). Both these cases involved a concealed misappropriation of the advertising value. In both instances the cases were dealt with on the basis of passing off and the interdicts refused because the applicants were unable to show any likelihood of deception or confusion.

The case of *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd*³⁶ involved an alleged concealed misappropriation of the advertising value in the absence of any confusion of sponsorship, ie the products in question were unrelated. The manufacturers of the Dallas television series applied for an interdict to restrain respondents from using in respect of their business, clothing and other goods any of the characters and names such as Dallas, Southfork and JR depicted in the Dallas television series. The court first considered whether respondent's conduct amounted to passing off. As the applicant could not establish that the names and characters had acquired any reputation, an interdict was refused. The parties were not competitors and the products involved were not related. Therefore there could be no question of passing off, unlawful competition or, for that matter, confusion as to sponsorship. Presumably the question which the court was actually addressing under the guise of passing off was whether the respondent had infringed the plaintiff's right to goodwill by misappropriating the advertising value of its names and characters. All that the applicant should have been required to prove, was that its marks, names or characters had acquired a reputation or advertising value in relation to its own products, which reputation has been misappropriated and exploited by the respondent. As the applicant could not establish the required reputation or advertising value, it is submitted that the interdict was correctly refused.

The court then proceeded to consider whether the respondent's conduct amounted to unlawful competition. As the parties were not competitors and there could, therefore, be no question of unlawful competition, one must assume that the question which the court was actually considering was whether the applicant had acquired some right in the characters and names which was worthy of protection.³⁷ The court then applied the *boni mores* test for unlawfulness. Various factors were taken into account, including the protection already afforded by statute and established common law remedies, the ethics of the business community concerned, an inherent sense of fair-play and honesty, the importance of a free market and strong competition

36 1981 3 SA 1129 (T). For discussions of this case see Mostert *Grondslae van die reg op die reklamebeeld* (LLD-thesis RAU 1985) 369 *et seq*; Mostert "The right to the advertising image" 1982 *SALJ* 413; Hertzog "Ongelisensieerde karakter-kommersialisering ('character merchandising') as daad van onregmatige mededinging" 1982 *De Jure* 77.

37 Mostert 1982 *SALJ* 422.

in the economy, the question whether the parties were competitors, conventions with other countries and the law of the UK and USA. The court came to the conclusion that the unauthorised use of the applicant's characters and names by the respondent was not *contra bonos mores*. In reaching this conclusion, the court decided by implication that the applicant had not established any protectable right in its names and characters.³⁸

Mostert³⁹ argues for the recognition of an independent immaterial property right to the advertising image as an accessory right to the right to goodwill in the same way that the common law right to the trade mark is regarded as an accessory right to the right to goodwill. According to Mostert, the right should not be restricted to trade marks but should encompass any name, mark, symbol or character which is identified with a particular product, business or person and which has a potential promotional advantage for others. Misappropriation of the advertising value of a trade mark will constitute an infringement of the right to the advertising image in addition to an infringement of the right to goodwill. The recognition of such a right will enable the proprietor to exploit the commercial value of his advertising images freely through the business of image or character merchandising.

From the foregoing analysis it appears that the common law provides indirect protection against misappropriation of the advertising value of a trade mark in so far as the right to goodwill of the proprietor is infringed and then only where such misappropriation is accompanied by a likelihood of confusion as to origin or sponsorship. To date there has been no recognition of misappropriation of the advertising value or "dilution" as an independent cause of action.⁴⁰ Nor has there been any recognition of the existence of an independent right to the advertising image.

In view of the limited protection afforded by the common law, it is necessary to consider the extent to which protection against misappropriation of the advertising value is afforded by statute.

38 See 1153 – 1157. See also Van Heerden and Neethling 129.

39 *Grondslae* ch v and vi; 1982 *SALJ* 413; see also Van Heerden and Neethling 127 – 128 129.

40 See in general Salmon "Dilution as a rationale for trade mark protection in South African law" 1987 *SALJ* 647 *et seq* 668.

3 Statutory protection

3.1 Copyright Act 98 of 1978

Copyright protects *inter alia* original literary, musical and artistic works against unlicensed copying.⁴¹ Registration is not a requirement and copyright subsists automatically. Generally copyright endures for the lifetime of the author plus fifty years.⁴² A trade mark in the form of a pictorial representation or illustration will enjoy copyright protection as an artistic work.⁴³ On the basis of such copyright, the proprietor can prevent others from *inter alia* reproducing a substantial part of the work in any material form or including it in a television broadcast.⁴⁴ A trade mark in the form of a word or name will not qualify for copyright protection.⁴⁵ Furthermore, copyright does not prevent the use of an idea as distinct from the form of the work.⁴⁶ Copyright therefore only provides incidental protection against misappropriation of the advertising value of a trade mark.⁴⁷

3.2 Designs Act 57 of 1967

The Designs Act provides protection for new or original designs in the form of a non-functional shape, configuration, pattern or ornamentation which is applied to an article which is intended to be multiplied by an industrial process.⁴⁸ In order to enjoy protection, a design must be registered in respect of articles falling within a particular class. The duration of protection is for a maximum period of 15 years.⁴⁹ On the strength of his registration a proprietor may prevent other persons from making, using or vending any article in the class for which the design has been registered and which embodies a design which is the same or not substantially different from his design.⁵⁰

41 S 1 Copyright Act 98 of 1978 as amended.

42 S 3(2)(a).

43 S 1; Copeling *Copyright and the Act of 1978* (1978) 9.

44 S 7.

45 A word or name does not qualify as a literary work; *Exxon Corp v Exxon Consultants International Ltd* (1982) RPC 69.

46 See Copeling *Copyright Law in South Africa* (1969) 67 *et seq.*

47 Vaver "The protection of character merchandising — a survey of some common law jurisdictions" 1978 *IIC* 541; cf also Mostert *Grondslae* 295 *et seq* 308.

48 Ss 1 and 4(5) Designs Act 57 of 1967.

49 S 14.

50 S 15(1).

Aesthetic artistic works which are the subject of copyright protection and which may be applied as designs to printed matter primarily of a literary or artistic character such as cards, labels, coupons, leaflets, trade advertisements and forms are precluded from registration.⁵¹ However, where the primary purpose of an artistic work is not aesthetic but to identify the contents of an article such as a package, registration will be permitted.⁵² The article for which the design is registered must be capable of embodying the design and must be more than a mere vehicle for the design.⁵³ Therefore trade marks, other than container marks, will only be registrable as designs in exceptional circumstances. Furthermore, protection is restricted to related articles falling within the class for which the design is registered. The Designs Act, therefore, will offer only scant protection against misappropriation of the advertising value of a trade mark.

3.3 Trade Marks Act 62 of 1963

The proprietor of a registered trade mark has at his disposal the statutory infringement action under section 44 of the Trade Marks Act. In terms of section 44(1)(a) a trade mark proprietor can prohibit any unauthorised use of his trade mark or a confusingly similar mark, as a trade mark, if such use is in relation to the products for which the trade mark is registered. Furthermore, in terms of section 44(1)(b), a proprietor can prohibit any use in the course of trade, otherwise than as a trade mark, of his mark or a confusingly similar mark provided such use is in relation to the products for which the mark is registered and is likely to cause him injury or prejudice.

Legislative recognition of unconcealed misappropriation of the advertising value of a registered trade mark through comparative advertising or generic use can be found in the extended infringement provisions of section 44(1)(b).⁵⁴ The phrase “otherwise than as a trade mark” will cover any use of the trade mark other than for the purpose set out in the definition of “trade mark” in section 2(1), namely of indicating the origin or source of the products in relation to which it is used.⁵⁵

51 S 4(6) and GN R2120 of 1967-12-29.

52 *Weetbix Ltd v Eet-rite Natural Foods (Pty) Ltd* 1974 1 SA 230 (T).

53 Russel-Clarke *Copyright in Industrial Designs* (1968) 8–15.

54 See Webster and Page *South African Law of Trade Marks* (1986) 256–260.

55 *Cf Miele et Cie GmbH & Co v Euro Electrical (Pty) Ltd* 1988 2 SA 583 (A).

Consideration must now be given to the extent to which protection is available against the unauthorised use of a trade mark in relation to non-competing products.

Section 20 provides that any person claiming to be the proprietor of a trade mark may apply for the registration of that mark if he has used or proposes to use the mark in relation to the products in respect of which he seeks registration. The applicant for registration must, at the time of application, have the definite intention of using the mark in relation to the products in respect of which registration is sought. Therefore, an applicant cannot attempt to broaden the scope of his protection by registering a trade mark for products in relation to which he has no intention of using the mark. The registration will be invalid and liable to removal from the register on the grounds of non-use.⁵⁶ One exception to the rule that the applicant for registration must have used or propose to use the mark in relation to the products in respect of which he seeks registration is contained in the defensive registration provision of section 53. This section permits the proprietor of a distinctive trade mark to register it defensively in respect of products in relation to which he does not intend to use it. The trade mark must have become sufficiently well-known so that use by another on the non-competing products in respect of which defensive registration is sought, will be likely to be taken as indicating a connection in the course of trade between those products and the proprietor of the registered trade mark. While the defensive registration provisions do provide a measure of protection against unauthorised use of a trade mark on non-competing but related products (ie where confusion of sponsorship is likely), no protection is available against the possible unauthorised use on non-competing unrelated products.⁵⁷

⁵⁶ S 36.

⁵⁷ Cf also *Mostert Grondslae* 326. Where the proprietor of a trade mark wishes to exploit its advertising value by licensing its use by others he must simultaneously with his application file applications to record his licensees as registered users of the trade mark in relation to the specific goods for which he seeks registration (see s 24 (1)(b) and *Webster and Page* 92–93). It is not sufficient for the applicant to apply for the registration of the trade mark for goods in relation to which he has no intention of using the mark himself but of licensing it on the basis of a registered user arrangement at a later stage. (*Morcom* “Character merchandising — a right, or mere opportunity?” 1978 *EIPR* 7; *Hargrave* “Character licensing and trade marks in the United Kingdom” 1967 *TMR* 839). Furthermore, unless there is a real trade connection between the proprietor and the licensee’s goods the licensing of the trade mark will fall foul of the trafficking provision in the Trade Marks Act (s 48(6); see *Hollie Hobbie Trade Mark* (1984) FSR 199 and *Lane* “Holly Hobbie in no man’s land” 1985 *EIPR* 6).

With the exception of the protection afforded by section 44(1)(b) of the Trade Marks Act in the case of unconcealed misappropriation of the advertising value of registered trade marks, protection of the advertising value of a trade mark in our law is limited to those situations where the misappropriation is accompanied by an impairment of the origin function of the trade mark which results in a likelihood of deception or confusion as to origin or sponsorship.

With a view to making certain recommendations as to legal reform, it will be useful at this stage to examine the legal position in Germany and the USA, the two legal regimes which have been at the forefront of the protection of the advertising value of a trade mark.

4 Protection in Germany and the USA

In Germany protection against both concealed and unconcealed misappropriation of the advertising value of a trade mark is provided under the general provision of section 1 of the German Law against Unfair Competition (UWG) which prohibits any act in contravention of honest business practices. Although this prohibition of unfair competition requires the parties to be involved in a common field of activity, this requirement has been given a broad interpretation by the courts. Every interference in the economic exploitation of the goodwill or reputation of commercial products will be sufficient to establish the required competitive relationship.⁵⁸ Renowned or famous marks also enjoy protection against dilution on the basis of section 823(1) of the German Civil Code (BGB) which protects property and other absolute rights against unlawful interference. The right to goodwill is included in the concept "other rights" and famous trade marks are granted protection as valuable and essential parts of the goodwill of a business. Protection is limited to marks which are particularly well known to the general public and which enjoy a position of exclusivity and esteem in the market.⁵⁹

58 Lehmann "Unfair use of and damage to the reputation of well-known marks, names and indications of source in Germany. Some aspects of law and economics" 1986 *IIC* 746; Fezer 1988 *IIC* 192.

59 Schricker "Protection of famous trade marks against dilution in Germany" 1980 *IIC* 166; Pagenberg "Protection of get-up and character merchandising under German Law" 1987 *IIC* 457 464. For a discussion of the decisions of the Federal Supreme Court in the *Chanell No 5* and *Camel Tours* cases, see Pagenberg "Trademark rights at a discount — Is trademark law still effective?" 1988 *IIC* 639.

In the USA, a claim for both concealed and unconcealed misappropriation of the advertising value of a trade mark is available under the state antidilution statutes. The majority of these statutes are modelled on the antidilution provision of the Model State Trademark Act which provides in section 12:

“Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of the goods or services.”

Notwithstanding the clear wording of the statutes, the courts were initially reluctant to grant a claim for trade mark dilution in the absence of a likelihood of confusion as to origin or sponsorship.⁶⁰ However, in recent years there has been a significant change in judicial attitude and a claim for trade mark dilution is now available in addition to the traditional claim for trade mark infringement and passing off.⁶¹

5 Conclusion

A claim for misappropriation of the advertising value of a trade mark represents a significant departure from the traditional view that the true legal function of a trade mark is to indicate source or origin. Like the American courts our courts are conservative in their approach and are reluctant to accord judicial recognition to the advertising function of a trade mark.⁶² A claim for misappropriation of the advertising value will only succeed if the defendant’s conduct also involves an impairment of the origin function of the trade mark, ie where such conduct is likely to cause confusion as to the origin or sponsorship of the products concerned. Legislative reform, therefore, appears to be the only viable alternative for the speedy introduction of such a claim.⁶³ The existing infringement provisions of the Trade Marks

60 Harvard Review “Dilution: Trademark infringement or Will-O-The-Wisp?” 1964 *Harv LR* 520.

61 Wolf 1984 *TMR* 311; Shire “Dilution versus deception — are state antidilution laws an appropriate alternative to the law of infringement?” 1988 *TMR* 273.

62 See eg *Capital Estate and General Agencies (Pty) Ltd v Holiday Inns Inc (supra)* and *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd (supra)*, both cases of misappropriation of the advertising value which were dealt with on the basis of passing off.

63 See also Salmon 1987 *SALJ* 668.

Act, which have already been extended by the incorporation of section 44(1)(b), could be extended even further by the inclusion of an antidilution provision similar to section 12 of the American Model State Trademark Act. Such a provision must provide for a claim for misappropriation of the advertising value or "dilution" in the case of both registered and common law marks notwithstanding the absence of competition between the parties or the absence of confusion as to the source or origin of the products concerned. A clear definition of the term dilution must be provided. The type of mark susceptible of dilution must also be defined, ie whether protection should be limited to famous or well-known marks or should be extended to all trade marks.⁶⁴ It is submitted that protection should be available for all trade marks which have acquired an advertising value irrespective of the nature of the mark or the source of its selling power. Not only marks which are inherently distinctive but also marks which have acquired a selling power through extensive advertising should enjoy protection.⁶⁵ A legislative provision of this nature would merely amount to the legal recognition of the valuable asset inherent in the advertising value of a trade mark, a fact which has been recognised by commerce for many years.

64 Harvard Review 1964 *Harv LR* 520.

65 See Callmann *Unfair Competition, Trademarks and Monopolies* 4 ed 21:12; Pattishall "The dilution rationale of trademark-trade identity protection, its progress and prospects" 1977 TMR 607.

6

Die deliktuele beskerming van die reg op die handelsgeheim in die mededingingstryd

JC KNOBEL*

1 Inleiding

Hedendaagse ondernemers ag handelsgeheime (“trade secrets”), oftewel ekonomies waardevolle, vertroulike bedryfsinligting, as baie belangrike bates in die stryd om hulle posisie in die mark te handhaaf en te verbeter. Die handelsgeheim word dan ook toenemend die teiken van mededingers wat dit op allerlei wyses probeer bekom ten einde die voordeel uit te wis wat dit aan die eienaar¹ daarvan besorg; of om dieselfde voordeel vir hulle ondernemings te verkry.² Dit is duidelik dat daar ’n behoefte is aan regsreëls om die beskerming van die handelsgeheim te reguleer, en die primêre oogmerk met hierdie bydrae is om ’n kritiese oorsig te bied van die huidige stand van die Suid-Afrikaanse reg op hierdie gebied.

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- 1 Daar word deurgaans in hierdie bydrae na die *eienaar* van ’n handelsgeheim verwys. Natuurlik moet *eienaar* hier nie in ’n sakeregtelike sin verstaan word nie. Teoretiese besware kan seker teen die gebruik van *eienaar* in hierdie sin geopper word, maar dit het die voordeel dat dit die nodigheid uitskakel om hier van die *term reghebbende* gebruik te maak, wat mi ’n wyer betekenis het. Sien vn 64 hieronder.
- 2 Sien Pooley *Protecting Proprietary Business Information and Trade Secrets* (1987) ix – xii veral x waar hy sê dat diefstal van handelsgeheime ’n geraamde skade van \$4 miljard jaarliks aan Amerikaanse besighede berokken.

Voorbeelde van handelsgeheime uit die Suid-Afrikaanse regspraak is vertroulike inligting oor: 'n geheime vervaardigingsproses;³ rekenaarsagteware;⁴ 'n unieke oond vir die hittebehandeling van metaal;⁵ 'n ongepubliseerde etiket van 'n nuwe produk wat bemerk staan te word;⁶ kredietrekords;⁷ besigheids- onderhandelinge;⁸ tenderpryse⁹ en verkoopstatistieke.^{10 11}

Hierdie inligting kan statutêre beskerming geniet vir sover dit binne die gebied van die outeurs-, patent-, modelle- en handelsmerkereg val. Indien inligting byvoorbeeld aan die vereistes vir outeursreg voldoen,¹² kan dit hiervolgens in 'n beperkte mate beskerm word, deurdat onder andere die ongemagtigde reproduksie, publikasie of maak van aanpassings verhinder kan word.¹³ Die *gebruik* van die vertroulike inligting sal egter selde, indien ooit,¹⁴ ingevolge die outeursreg verhinder kan word. Verder kan 'n aantal onderwerpe van handelsgeheime deur die patentreg beskerm word, mits die eienaar natuurlik 'n patent daarvoor verkry het. Aannee van 'n patent bring egter normaalweg die vertroulikheid daarvan tot 'n einde.¹⁵ Patentbeskerming en handelsgeheimbeskerming oorvleuel dus nie,¹⁶ en die eienaar van die handelsgeheim moet tussen die twee tipes beskerming kies. Hier moet in gedagte gehou word dat nie alle handelsgeheime aan die statutêre vereistes vir patenteerbaarheid¹⁷ voldoen nie, en selfs al is die onderwerp van die handelsgeheim na alle waarskynlikheid patenteerbaar, kan die eienaar daarvan

3 Bv *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd* 1977 1 SA 316 (T).

4 Bv *Northern Office Micro Computers (Pty) Ltd v Rosenstein* 1981 4 SA 123 (K).

5 Bv *Harchris Heat Treatment (Pty) Ltd v Iscor* 1983 1 SA 548 (T).

6 Bv *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd* 1972 3 SA 152 (K).

7 Bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd* 1968 1 SA 209 (K).

8 Bv *Wilrose Timbers (Pty) Ltd v CE Westergaard (Pty) Ltd* 1980 2 SA 287 (W).

9 Bv *Sibex Construction (SA) (Pty) Ltd v Injectaseal CC* 1988 2 SA 54 (T).

10 Bv *Wilrose Timbers (Pty) Ltd v CE Westergaard (Pty) Ltd supra*.

11 Handelsgeheime word soms breedweg in twee kategorieë ingedeel: dié wat oor *tegnologiese* uitvindings, prosesse, "know-how", ens handel; en dié wat oor *besigheids- en bemerkingsgebruike* en strategieë handel (vgl Pooley 6 7).

12 Sien Copeling *Copyright and the Act of 1978* (1978) 14 ev.

13 *Idem* 24 ev en vgl Du Plessis "Protection of computer software" 1985 *MB* 115 - 125.

14 Vgl Du Plessis 1985 *MB* 121 oor die vraag of die gebruik van rekenaarsagteware ingevolge die outeursreg verhinder kan word.

15 Sien a 43 Wet op Patente 57 van 1978; Burrell *South African Patent Law and Practice* (1986) 94 ev.

16 Mbt die modelle- en handelsmerkereg sal die posisie baie dieselfde wees.

17 Sien bv Burrell 12 ev.

verkies om nie om 'n patent aansoek te doen nie. Dit sal veral gebeur as die eienaar van die handelsgeheim van mening is dat hy dit vir 'n langer tydperk geheim sal kan hou as wat die statutêre voorgeskrewe termyn¹⁸ van patent-beskerming sal duur.¹⁹

Daar is dus geen omvangryke wetteregtelike beskerming van handelsgeheime in Suid-Afrika nie. Die regspraak handel dan ook byna uitsluitlik oor die *gemeenregtelike* beskerming van handelsgeheime.²⁰ In die eerste plek kan handelsgeheime natuurlik by wyse van *kontrak* beskerm word.²¹ Tweedens beskou die howe die skending van 'n handelsgeheim as 'n *onregmatige daad*,²² en normaalweg²³ meer spesifiek as 'n vorm van onregmatige mededinging.²⁴

18 *Idem* 114 ev.

19 Verder kan die koste van 'n patentaansoek 'n rol speel, asook die moontlikheid dat sy patent afgekeur sal word.

20 Dit is moontlik dat die gemeenregtelike beskerming van handelsgeheim in botsing kom met die statutêre beskerming van ander immaterieelgoedere. Vir 'n voorbeeld uit ons regspraak van 'n botsing tussen outeursreg en die reg op 'n handelsgeheim, sien *Northern Office Micro Computers (Pty) Ltd v Rosenstein supra*.

21 Dit is dikwels baie wenslik dat die eienaar van 'n handelsgeheim 'n ander kontraktueel sal laat onderneem om die handelsgeheim vertroulik te hou. Twee voor die handliggende gevalle is (a) waar hy in onderhandelings om die handelsgeheim te "verkoop" betrokke is; en (b) waar hy die handelsgeheim (of dele daarvan) aan sy werknemers moet toevertrou. Vgl Delport "Trade secrets and confidential information" 1982 *Businessman's Law* 164 veral 187 ev en gesag daar aangehaal. Algemene kontrakteregbeginsels is van toepassing, en dié onderwerp word verder daargelaat.

22 Die howe beklemtoon telkens dat die grondslag van aanspreeklikheid hier Aquilies is (vgl bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 218; *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 162; *Prok Afrika (Pty) Ltd v NTH (Pty) Ltd* 1980 3 SA 687 (W) 696). Die *action for breach of trust or confidence* van die Engelse reg is nie hier van toepassing nie (sien Van Heerden en Neethling *Onregmatige Mededinging* (1983) 140–141 en gesag daar aangehaal).

23 Daar kan wel uitsonderings bestaan waar die onregmatige skending van 'n handelsgeheim *nie* op onregmatige mededinging neerkom nie. Sien vn 44 hieronder.

24 Vgl bv *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg* 1967 1 SA 686 (W); *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 216 217 221–224; *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 161; *Prok Afrika (Pty) Ltd v NTH (Pty) Ltd supra* 696 697; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd* 1981 2 SA 173 (T) 179 ev, veral 191; *Multi Tube Systems (Pty) Ltd v Ponting* 1984 3 SA 182 (D) 184; *Aercrete SA (Pty) Ltd v Skema Engineering Co (Pty) Ltd* 1984 4 SA 814 (D) 822; *Schultz v Butt* 1986 3 SA 667 (A) 679; *Sibex Construction (SA) (Pty) Ltd v Injectaseal CC supra* 63 64.

Dit is die toepassing van deliksbeginsels op die gebied van die handelsgeheim wat die interessantste ontwikkelings opgelewer het, en dit sal die onderwerp van hierdie bydrae vorm. Alhoewel die howe dit nie altyd by name so noem nie, is die onregmatigheidsvraagstuk dié aspek van die beskerming van handelsgeheime wat die meeste aandag geniet. Ook in hierdie bydrae sal die fokus in die eerste plek daarop val. Daarna sal remedies wat in handelsgeheimgedinge ter sprake kom, aangeroer word.

2 Onregmatigheid en die beskerming van die reg op die handelsgeheim

Die eerste vraag wat beantwoord moet word ten einde vas te stel of daar onregmatig opgetree is,²⁵ is of dit wat na bewering aangetas is, inderdaad as 'n handelsgeheim kwalifiseer.²⁶ Dit gaan dus hier oor die omskrywing van die regsobjek wat beskerming verdien.²⁷ In hierdie verband is daar twee vereistes:²⁸ (a) Die betrokke inligting moet *geheim* of *vertroulik* wees; en (b) die inligting moet (ekonomies) *waardevol* in die handel wees.

Die vereiste dat die inligting geheim moet wees, beteken dat dit slegs aan 'n beperkte aantal persone bekend moet wees.²⁹ In dié verband vereis die

25 Vgl *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 194B – C.

26 *Ibid.*

27 Vgl in die algemeen Joubert “Die realiteit van die subjektiewe reg en die betekenis van 'n realistiese begrip daarvan vir die privaatreë” 1958 *THRHR* 12 98 veral 112 ev; Van Heerden en Neethling 133 ev.

28 sien veral *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 194B – C H; Van Heerden en Neethling 133. Vgl *Coolair Ventilator Co (SA) Ltd v Liebenberg supra* 689E – H; *SA Historical Mint (Pty) Ltd v Sutcliffe* 1983 2 SA 84 (K) 90C – D; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings* 1983 3 SA 917 (W) 929E – F.

29 *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 221; *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 551; Van Heerden en Neethling 133. Daar sal mi steeds aan hierdie vereiste voldoen word waar daar bv 5 mededingers in die mark is en 4 van hulle oor die handelsgeheim beskik (en dit vertroulik hou) en net een nie die handelsgeheim ken nie.

howe dikwels³⁰ dat die inligting “must be something which is not public property and public knowledge”. Dit is dus in die eerste plek ’n *objektiewe feitevraag* wat beantwoord moet word.³¹

Verder wil dit voorkom of die vereiste van geheimhouding of vertroulikheid ook ’n *subjektiewe* element het in die sin dat die eienaar ’n *geheimhoudingswil* ten opsigte van die betrokke inligting moet hê.³² Dit is naamlik uiters onwaarskynlik dat ’n eiser of applikant wat beskik oor bedryfsinligting wat objektief geheim is, deur die hof te hulp gekom sal word as hy voor die litigasie onverskillig was of die inligting geheim bly al dan nie. Die nodige geheimhoudingswil sal normaalweg daaruit afgelei kan word dat die eienaar van die geheime inligting ook redelike stappe³³ gedoen het om die vertrou-

30 In navolging van die klassieke Engelse gewysde *Saltman Engineering Co Ltd v Campbell Engineering Co Ltd* [1948] 65 RPC 203 (CA) 215; *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 321; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra* 927; *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 551; *Crown Cork & Seal Co v Rheem SA (Pty) Ltd* 1980 3 SA 1093 (W) 1095; *Schultz v Butt supra* 680.

31 Dit blyk duidelik uit die werkswyse van die howe wanneer die getuienis ontleed word in sake soos *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) Pty Ltd supra*; *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra*; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra*; *Harchris Heat Treatment (Pty) Ltd v Iscor supra*. Vgl *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 689F – G; *SA Historical Mint (Pty) Ltd v Sutcliffe supra* 89H.

32 Sien bv *Multi Tube Systems (Pty) Ltd v Ponting supra* 186 se aanhaling uit die Engelse saak *Thomas Marshall (Exports) Ltd v Guinle* [1978] 3 All ER 193 (Ch). Vgl *Crown Cork & Seal Co v Rheem SA (Pty) Ltd supra* 1095: “confidential in the sense that they are not the subjects of public knowledge and such that a reasonable businessman might wish to keep to himself” (my beklemtoning). Die vraag is mi eger nie of ’n denkbeeldige redelike besigheidsman die inligting sou wou geheim hou nie, maar of die betrokke eiser/applikant inderdaad die inligting geheim wou hou: as ’n redelike besigheidsman die betrokke inligting geheim sou wou hou, maar dit kan bewys word dat die betrokke eiser/applikant onverskillig was of die inligting geheim bly al dan nie, sal dié eiser/applikant nie deur die hof beskerm word nie (sien ook vn 35 hieronder).

33 Bv deur sy werknemers kontraktueel te laat onderneem om sy handelsgeheime te respekteer, deur vertroulike dokumente weggesluit te hou, deur toe te sien dat besigtigingstoere van die fabrieksaanleg nie kennisname van sy handelsgeheime moontlik maak nie, deur toe te sien dat sy handelsgeheime nie in sy brosjures en prospektusse verklap word nie, ens. Sien in die algemeen Pooley 49 ev; vgl bv *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 323 325; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 194; *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 552.

likheid daarvan te beskerm.^{34 35} 'n Geheimhoudingswil kan egter nooit op sigself inligting wat *nie objektief vertroulik is nie*, in 'n handelsgeheim om-tower nie.³⁶

'n Belangrike eienskap van 'n handelsgeheim wat uit die voorafgaande volg, is dat dit in beginsel 'n onbeperkte lewensduur kan hê.³⁷ Solank die vertroulikheid daarvan in stand gehou word, so lank is die geheim beskermingswaardig.

Soos gestel, moet die vertroulike inligting *ook van waarde in die handel wees* alvorens dit as handelsgeheim regsbeskerming kan geniet. Hierdie vereiste word uitdruklik in die Suid-Afrikaanse regspraak gestel.^{38 39} Die waarde van die inligting moet *objektief* vasgestel kan word.⁴⁰ Vertraulike inligting sal

34 Alternatiewelik kan moontlik geargumenteer word dat die eiser/applikant se versuim om stappe ter beveiliging van die vertroulike inligting te doen, op stilswyende *toestemming* tot die risiko van benadeling neerkom, wat onregmatigheid aan die kant van die verweerder/respondent sal uitsluit. So gesien, is dit nie nodig om 'n subjektiewe geheimhoudingswil as 'n element van die omskrywing van 'n handelsgeheim te beskou nie.

35 In die Duitse regsweetenskap is daar aansluiting te vinde vir sowel die subjektiewe begrip van die handelsgeheim (die *Willenstheorie*) as die objektiewe (die *Interessentheorie*). Volgens Baumbach-Hefermehl *Wettbewerbsrecht* (1983) 1610 1611 is 'n juiste beskouing 'n kombinasie van die twee, 'n siening wat dus aansluit by die uiteensetting wat hier gevolg word (sien ook *Wise Trade Secrets and Know-How Through-out the World* Vol 3 (1981) 4 – 14 4 – 15).

36 *SA Historical Mint (Pty) Ltd v Sutcliffe supra* 89.

37 Dit is trouens 'n belangrike opsig waarin handelsgeheime verskil van die statutêre beskermde immaterieelgoedereregte, waar die beskermingstermyne wetlik voorgeskryf word.

38 Sien bv *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 194; *SA Historical Mint (Pty) Ltd v Sutcliffe supra* 90.

39 Soms stel die howe dit nie as 'n onafhanklike vereiste nie, maar word die *waarde* van die inligting vir 'n handelsmededinging as 'n faktor beskou wat daarop dui dat die betrokke inligting *vertroulik* is: *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 691; *Multi Tube Systems (Pty) Ltd v Ponting supra* 187; vgl *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra* 929. Mi kan vertroulikheid van inligting nie uit die waarde daarvan afgelei word nie. Vertraulikheid moet bepaal word soos pas uiteengesit is. Waarde in die handel is 'n onafhanklike verdere vereiste waaraan (vertroulike) inligting moet voldoen alvorens dit 'n handelsgeheim kan wees. (Dit is ook in ooreenstemming met die gangbare opvatting dat *waarde* 'n vereiste is waaraan alle objekte van subjektiewe regte moet voldoen: sien vn 27.) Hierdie aspek word suiwerder behandel in *Schultz v Butt supra* 680. Sien ook Van Heerden en Neethling 133 wat dieselfde uiteensetting gee as dié wat in hierdie bydrae gevolg word.

40 Sien Van Heerden en Neethling 133 vn 84.

waardevol in die handel wees as dit aan die eienaar daarvan 'n voorsprong op sy ware of potensiele mededingers besorg of sal besorg.^{41 42}

Ten slotte dien die volgende oor die *aard* van 'n handelsgeheim beklemtoon te word: die voorwerp van regsbeskerming is geheime, waardevolle bedryfs-*inligting*. Dit is 'n onstoflike produk van die menslike gees en kan dus geklassifiseer word as die regsobjek van 'n *immaterieelgoederereg*.^{43 44}

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- 41 Die howe benader soms dié aspek vanuit 'n ander hoek deur te vra of die inligting vir 'n ware of potensiele mededinger van die "eienaar" nuttig sal wees: *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 194; *Coolair Ventilator Co SA (Pty) Ltd v Liebenberg supra* 691; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra* 929. Dit is nie 'n onafhanklike kriterium nie: die waarde wat die inligting vir die mededinger het, is immers (a) om die voorsprong wat die "eienaar" van die inligting gehad het, uit te wis; en (b) om dieselfde voorsprong tov verdere mededingers wat nog nie oor die inligting beskik nie, te verwerf.
- 42 In aansluiting hierby moet van die *sg springboard doctrine* van die Engelse reg kennis geneem word: die persoon wat die handelsgeheim bekom, gebruik dit as 'n *springboard* om 'n voorsprong op sy mededingers te verkry. Engelse sake wat oor die *springboard* handel, word vryelik in ons howe aangehaal: sien bv *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 324; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 191 192; *Multi Tube Systems (Pty) Ltd v Ponting supra* 189. Van belang hier is dat hierdie voorsprong tydsgebonde is; so loop dit bv af as 'n produk waaruit die handelsgeheim blyk, op die mark geplaas word. Vgl bv Stocks "Confidentiality agreements and the scope of the 'Springboard'" 1986 *Solicitor's Journal* 492. By die berekening van 'n skadevergoedingsbedrag en by die bepaling van die tydperk wat 'n interdik moet duur, moet hierdie tydsgebondenheid van die *springboard* deeglik voor oë gehou word. Dat die Suid-Afrikaanse howe hiermee rekening hou, blyk uit die *Atlas Organic Fertilizers*-saak 192 en die *Multi Tube Systems*-saak 189.
- 43 Daar is wel *dicta* in die regspraak wat uitdruklik ontken dat hier van 'n *proprietary right* sprake is: sien bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 215 216. (Sien egter die kritiek van Copeling 1968 *THRHR* 180 en Du Plessis 1985 *MB* 66 67.) Aan die ander kant is daar *dicta* waarin na handelsgeheime as iets analoog aan eiendom verwys word: sien bv *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 162A – B; *Prok Africa (Pty) Ltd v NTH (Pty) Ltd supra* 698A – C; *SA Historical Mint (Pty) Ltd v Suicliffe supra* 91A; *Multi Tube Systems (Pty) Ltd v Ponting supra* 184B – C; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra* 927C – D; *Aercrete (Pty) Ltd v Skema Engineering Co (Pty) Ltd supra* 822F – G. 'n Handelsgeheim is natuurlik nie werklik eiendom in die sakeregtelike sin nie, en mi moet die howe se verwysings na *property* in dié verband as duidend op *immaterieelgoedere (intellectual property)* verstaan word. In *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 555E – F word 'n handelsgeheim uitdruklik as 'n immaterieelgoed bestempel. (In appèl (1987 4 SA 421 (A)) is hierdie beslissing

As eers uitgemaak is dat inligting inderdaad 'n handelsgeheim is, volg dit nie noodwendig dat enige inwerking daarop onregmatig sal wees nie. 'n Tweede vraag moet eers bevestigend beantwoord word, naamlik of die gewraakte

omvergewerp op 'n ontleding van die feite. Die regsgronde waarop die uitspraak in die hof *a quo* berus het, is dus nie deur die appêlhof ondersoek nie.)

- 44 Erkenning van 'n selfstandige immaterieelgoederereg op die handelsgeheim sou meebring dat 'n inwerking op 'n ander se handelsgeheim onregmatig kan wees selfs al kom die gewraakte inwerking nie op onregmatige mededinging neer nie. In ons positiewe reg word die aantasting van handelsgeheime (op een uitsondering na: *Harchris Heat Treatment (Pty) Ltd v Iscor supra*) as 'n vorm van onregmatige mededinging hanteer (sien weer vn 24 hierbo). Die onregmatigheid van die aantasting is dan geleë in die skending van die reg op die werfkrag (sien veral *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 183D – E saamgelees met 182D – E). Dat die aantasting of dreigende aantasting van 'n handelsgeheim gewoonlik 'n aantasting of dreigende aantasting van die werfkrag sal meebring, kan nie ontken word nie. Wanneer egter in *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 222 223 en *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 691 te kenne gegee word dat die eiser/applikant net kan slaag as hy kan aantoon dat die inbreukmaking/dreigende inbreukmaking van 'n *handelsmededinger* kom (vgl Delport 1982 *Businessman's Law* 166 167), word te ver gegaan. Die onwenslikheid van hierdie standpunt kan aan die hand van die volgende feitestel geïllustreer word: 'n Huisvrou, A, ontdek by wyse van eksperimentering dat as sekere bekende huishoudelike bestanddele bymekaar gevoeg word, 'n effektiewe opwasmiddel vir gebruik in wasmasjiene daargestel kan word. Sy rig 'n brief aan 'n vervaardiger van opwasmiddels, B, waarin sy aanbied om hierdie formule, wat sy op dié stadium nog geheim hou, aan B te verkoop. B dui aan dat hy belangstel en in 'n daaropvolgende ontmoeting onthul A die geheime formule aan B. B lig A in dat die idee nie bruikbaar is nie en dat hy nie belangstel nie, maar plaas 'n maand later 'n produk op die mark wat volgens dieselfde formule vervaardig is. Volgens die standpunt in die *Coolair Ventilator*-saak is A remedieloos, omdat sy en B nie handelsmededingers is nie. Dié onbillike resultaat kan vermy word deur die aanvaarding van 'n selfstandige immaterieelgoederereg op die handelsgeheim. A se geheime formule was immers 'n onstoflike produk van die menslike gees, dit was geheim, en dit het waarde in die handel gehad. Onregmatigheid behoort hier eenvoudig in die skending van haar reg op die handelsgeheim te bestaan. In ons positiewe reg is die deur vir dié beskouing oopgemaak in *Harchris Heat Treatment (Pty) Ltd v Iscor* 555: “The remedy under the *lex Aquilia* in cases of unlawful interference with the business of another is not confined to competitors in trade. Loss will, at least *prima facie*, be occasioned by the unlawful deprivation of the owner of a trade secret of the right to exploit it, whether by attracting custom, or in other ways” (my beklemtoning). Sien veral Van Heerden en Neethling 133 vn 82; vgl *Galanis v Procter and Gamble Corporation* 153 F Sup 34; Turner *The Law of Trade Secrets* (1962) 46 47.

inwerking op 'n *regtens ongeoorloofde wyse* plaasgevind het.⁴⁵ Dit gaan hier oor 'n toepassing van die algemene *boni mores*- of redelikheidskriterium vir onregmatigheid in die deliktereg.⁴⁶ Die belangrikste vorme van regtens ongeoorloofde aantasting van 'n handelsgeheim is die *ongemagtigde kennisname, benutting of bekendmaking* daarvan deur 'n buitestaander.⁴⁷ Die ongeoorlooftheid (onredelikheid) van die optrede is dan daarin geleë dat die dader vir homself bevoegdhede ten opsigte van 'n ander se handelsgeheim aanmatig *strydig met laasgenoemde se wil*.⁴⁸

45 Sien bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape (Pty) Ltd supra* 216; *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 162; *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 327; *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 554; *Multi Tube Systems (Pty) Ltd v Ponting supra* 184 187; *Aercrete SA (Pty) Ltd v Skema Engineering Co (Pty) Ltd supra* 822. Die standpunt in *Prok Africa (Pty) Ltd v NTH (Pty) Ltd supra* 697B – G (in navolging van die Amerikaanse *Restatement: Law of Torts*) dat die eenaar van 'n handelsgeheim ook soms 'n remedie sal hê selfs al is die handelsgeheim *nie* op 'n onbehoorlike wyse verkry nie, is onaanvaarbaar. Voorvereiste vir deliktuele aanspreeklikheid (of verkryging van 'n interdik) in ons reg is onregmatigheid, en voorvereiste vir onregmatigheid is optrede strydig met die *boni mores*. (Sien in die algemene oor die skending van 'n subjektiewe reg Neethling, Potgieter en Visser *Deliktereg* (1989) 43 44.)

46 *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 188 189; sien Van Heerden en Neethling 67 ev; vgl *Schultz v Butt supra* 678F ev.

47 Die juridiese ongeoorlooftheid van die feitlike aantasting van 'n handelsgeheim kan ook blyk uit die verbreking van vertrouensverhoudinge, bv as 'n werknemer sy werkgewer se handelsgeheim ongemagtig gebruik of bekendmaak (sien bv *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 690) of as 'n direkteur van 'n maatskappy in stryd met sy vertrouensverhouding die maatskappy se handelsgeheim gebruik of bekend maak (sien bv *Sibex Construction (SA) (Pty) Ltd v Injectaseal CC supra*; *Rectifier and Communication System (Pty) Ltd v Harrison* 1981 2 SA 283 (K)). Verder, as 'n mededinger bv 'n werknemer sou omkoop om in verbreking van 'n kontraktuele onderneming teenoor sy werkgewer lg se handelsgeheim aan hom bekend te maak, kan die onregmatigheid van sy optrede uit sy (opsetlike) bemoeiing met dié kontraktuele verhouding blyk (sien Van Heerden en Neethling 138 vn 13 149 ev). Al hierdie gevalle is natuurlik selfstandige skuldoorsake wat nie tot die gebied van handelsgeheimbeskerming beperk is nie. In soverre hulle ter sprake kom in sake wat oor die skending van handelsgeheime handel, sal daar egter ook gewoonlik — indien nie altyd nie — sprake wees van die *ongemagtigde kennisname, gebruik of bekendmaking van die handelsgeheime*.

48 Vgl bv *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 185G – H; *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 554G – H 555E – F.

Dat die ongemagtigde *gebruik* of *benutting* van 'n handelsgeheim (byvoorbeeld die aanwending van 'n mededinger se geheime vervaardigingsproses in die eie bedryf) in beginsel⁴⁹ onregmatig is, blyk duidelik uit die regspraak.⁵⁰ Dit geld ook vir die ongemagtigde *bekendmaking* van handelsgeheime.⁵¹ Die positiefregtelike posisie met betrekking tot die ongemagtigde *kennisname* van handelsgeheime is minder duidelik.⁵²

Ongemagtigde kennisname tas egter reeds die wesensaard van die regsobjek — die handelsgeheim — aan deurdat die vertroulikheid daarvan geskend word. Indien dié kennisname boonop in stryd met die wil van die eienaar geskied, is dit (in die afwesigheid van 'n regverdigingsgrond of beleidsoor-

49 Dws as daar nie 'n regverdigingsgrond of beleidsoorwegings (sien hieroor hieronder) aanwesig is wat op die teendeel dui nie.

50 Sien bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 221D F – G; *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 162A – B; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 185G – H; *Schultz v Butt supra* 679H – I.

51 Sien bv *Northern Office Micro Computers (Pty) Ltd v Rosenstein supra* 135F – G; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 185G – H; *Multi Tube Systems (Pty) Ltd v Ponting supra* 185 186 187D – E.

52 Daar is sekerlik *dicta* in die regspraak wat aanknopingspunte bied vir die standpunt dat ongemagtigde kennisname van 'n handelsgeheim in beginsel onregmatig is, maar die kennisname word normaalweg gekoppel aan daaropvolgende ongemagtigde gebruik. 'n Goeie voorbeeld blyk uit *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra* 927D – E: “What is clearly established in our law is that it is unlawful for a servant to *take* his master’s confidential information or documents *and use* them to compete with the master” (my beklemtoning). Ook die howe se verwysings na die *diefstal* van die handelsgeheime kan geïnterpreteer word as gesag dat blote ongemagtigde kennisname reeds in beginsel onregmatig is. Bv *SA Historical Mint (Pty) Ltd v Sutcliffe supra* 91: “[I]n the process of competing [a former employee] may not ‘steal’ what is the company’s property — its trade secrets or confidential information.” Vgl egter hoedat die hof in die *Easyfind*-saak 927C – E die gebod “Thou shalt not steal” onmiddellik opvolg met die pas aangehaalde stelling waarin kennisname en gebruik gekoppel word.

wegings wat op die teendeel dui⁵³) myns insiens in stryd met die *boni mores*. Onregmatigheid is dan reeds voorhande.^{54 55}

'n Voor-die-hand-liggende regverdigingsgrond wat die onregmatigheid van 'n handelsgeheimaantasting kan uitskakel, is *volenti non fit iniuria*. As die eienaar regsgeldige toestemming tot die betrokke benadeling of die risiko van dié benadeling gegee het, geskied die aantasting immers nie in stryd met sy wil nie. Het die aantasting egter wel in stryd met die wil van die eienaar geskied, kan dit tog regmatig wees as die beweerde inbreukmaker byvoorbeeld met *amptelike bevoegdheid*⁵⁶ of in die *openbare belang*⁵⁷ opgetree het. Die vraag bly natuurlik altyd in die eerste en laaste plek of die gewraakte optrede in die lig van die *boni mores* geoorloof is al dan nie. Die besondere oorwegings wat in hierdie verband te pas kom by meervoudige reghebbendes en voormalige werknemers, word nou in oënskou geneem.

53 Sien bv vne 54 en 56.

54 Verder verg beleidsoorwegings wat ten doel het om *industriële spioenasie* aan bande te lê, dat reeds ongemagtigde kennisname as prinsipiële onregmatig beskou moet word. Vgl bv die Amerikaanse saak *EI du Pont de Nemours & Co v Christopher* 431 F 2d 1012 en Callman *Unfair Competition, Trademarks and Monopolies* (Vol 2) 14 – 11 se kommentaar: “This decision . . . suggests that in a proper case the owner of a trade secret can obtain protection even against a stranger solely in reliance upon his property right in the secret and the unfair tactics of the defendant in obtaining the secret”; asook 14 – 137 ev.

55 Dit is egter hoogs onwaarskynlik dat 'n skadevergoedingsaksie sal slaag in so 'n geval. Waar daar ongemagtigde kennisname was, maar die kennisnemer nog nie die handelsgeheim in sy onderneming begin benut het nie, en dit ook nie aan andere bekendgemaak het nie, sal daar normaalweg *geen vermoënskade* vir die eienaar van die handelsgeheim ingetree het nie. Dit beteken egter nie dat geen regshulp op hierdie stadium verleen kan word nie. As die kennisnemer bv in besit van foto's, aantekeninge, ens is waarop die handelsgeheim vasgelê is, behoort die hof 'n bevel vir oorgawe of vernietiging van dié materiaal te verleen (sien par 3.3 hieronder). Verder sal ongemagtigde kennisname die gevaar van ongemagtigde gebruik of bekendmaking skep — waaruit skade natuurlik kan resulteer. 'n Verbiedende interdik kan dan dié dreigende onregmatigheid die hoof bied.

56 Vgl bv a 118A van die Poswet van 1958; a 20 van die Strafproseswet 51 van 1977.

57 As 'n ondernemer bv 'n instrument ontwikkel wat motordiefstal baie vergemaklik en dit aan misdaadsindikate verkoop, sal ongemagtigde bekendmaking van dié handelsgeheim (deur bv 'n werknemer) aan die polisie ongetwyfeld deur die openbare belang geregverdig word.

2.1 Twee besondere probleemgebiede by onregmatigheid

2.1.1 Meervoudige reghebbendes

Dit is moontlik dat twee (of meer) persone deur eie navorsing en arbeid heeltemal onafhanklik van mekaar dieselfde handelsgeheim ontwikkel. Hulle sal dan almal eienaars van dieselfde handelsgeheim wees.⁵⁸

Een so 'n reghebbende sal dan normaalweg nie die ander kan verhinder om die handelsgeheim te gebruik nie, aangesien laasgenoemde in uitoefening van sy eie reg handel en dus nie onregmatig optree nie.⁵⁹ Dit is egter denkbaar dat een reghebbende 'n ander sal kan verhinder om die handelsgeheim bekend te maak. Die redelikheid van laasgenoemde se optrede, gemeet aan die hand van die *boni mores*, moet hier die deurslag gee. As hy byvoorbeeld 'n produk bemark wat deur middel van 'n geheime proses vervaardig is, en die proses kan deur ontleding van die produk bekend word, is hy slegs besig om die potensiaal van sy handelsgeheim te ontgin en tree hy nie onredelik op nie. Dit sal ook die geval wees as hy sy handelsgeheim teen 'n redelike vergoeding aan 'n ander "verkoop" of 'n lisensie vir gebruik verleen. As hy egter die handelsgeheim gratis openbaar, kan sy optrede moontlik as onredelik en dus onregmatig teenoor 'n ander reghebbende beskou word. 'n Motief om die ander reghebbende te benadeel, sal 'n faktor wees wat baie sterk op die onredelikheid van sy optrede sal dui.⁶⁰

'n Ander geval hou verband met die verskynsel van sogenaamde "reverse engineering". Dit is waar 'n ondernemer sy mededinger se reeds bemarkte produk — wat deur die gebruik van 'n handelsgeheim daargestel is maar waaruit die handelsgeheim nie sonder meer afgelei kan word nie⁶¹ — ontleed ten einde die handelsgeheim te probeer ontrafel. Sou hy daarin slaag, is die vraag of sodanige kennisname — asook daaropvolgende gebruik — van die handelsgeheim regtens geoorloof is of nie. Hy het die produk nie op 'n ongeoor-

58 Hulle het nl almal op regtens geoorloofde wyse die handelsgeheim bekom (vgl bv Wise 4 – 28).

59 'n Denkbare uitsondering sal wees waar een so 'n reghebbende die handelsgeheim gebruik met die uitsluitlike *motief* om die ander te benadeel (sien in die algemeen Neethling, Potgieter, Visser 34).

60 *Ibid.*

61 As die handelsgeheim sonder meer uit die produk blyk, kom bemarking van die produk natuurlik op publikasie — en derhalwe beëindiging — van die handelsgeheim neer.

loofde wyse bekom nie, en moes eie navorsing en arbeid inspan om die handelsgeheim te ontrafel. Myns insiens is sodanige “reverse engineering” nie in beginsel onredelik nie⁶² en behoort die posisie hanteer te word soos die eerste geval van meervoudige reghebbendes wat pas bespreek is. Gebruik van die handelsgeheim deur die mededinger wat dit deur “reverse engineering” ontsyfer het, kan egter moontlik ’n ander vorm van onregmatige mededinging wees.^{63 64}

2.1.2 Die posisie van die werknemer wat sy diens beëindig

’n Besonder moeilike onregmatigheidsvraag doen hom voor wanneer ’n werknemer die diens van sy werkgever verlaat en dan — òf in sy eie onderneming òf in diens van ’n ander — in mededinging met sy vorige werkgever kennis of vaardighede gebruik wat hy in die loop van sy vorige diens opgedoen het en wat volgens sy vorige werkgever ’n handelsgeheim is. Die algemene beginsel wat hier gestel word, is dat dit die voormalige werknemer vry staan om sy eie kennis en vaardigheid te gebruik, solank hy nie sy vorige werkgever se gespesialiseerde, vertroulike bedryfsinligting — sy handelsgeheime — gebruik nie.^{65 66} Hierdie beginsel is dikwels moeilik om toe te pas.⁶⁷ Op die

62 Sien bv oor die posisie in die Amerikaanse reg Pooley 171 ev.

63 Veral as ’n identiese produk dan op die mark geplaas word, in welke geval mens met prestasieaanklamping te make het (sien bv Van Heerden en Neethling 143 ev; *Schultz v Butt supra*).

64 Nog ’n geval van meervoudige reghebbendes is dié van eienaar en lisensiehouer. Die posisie tussen eienaar en lisensiehouer sal in die lisensie-ooreenkoms bepaal word. Vir ’n bespreking van die lisensiehouer se bevoegdhede teenoor derdes, sien *Prok Africa (Pty) Ltd v NTH (Pty) Ltd supra*. Vgl Van Heerden en Neethling 137. (Ek stem nie saam met dié outeurs se gebruik van die begrip *reghebbende* nie; ’n lisensiehouer is immers ook ’n *reghebbende*: sien vn 1 hierbo.)

65 Sien bv *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 326 327; *Northern Office Micro Computers (Pty) Ltd v Rosenstein supra* 127 128; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 193; *SA Historical Mint (Pty) Ltd v Sutcliffe supra* 89 91; vgl *Recycling Industries (Pty) Ltd v Mohammed* 1981 3 SA 250 (SOK) 255 256.

66 Hierdie beginsel is in ons regspraak aanvaar in navolging van die Engelse en Amerikaanse reg (sien bv Turner 115 ev; Callman 86 ev). In die Duitse reg is die uitgangspunt anders: dit staan naamlik die werknemer vry om die handelsgeheime wat hy in die loop van sy diens leer ken het na diensverlating te gebruik, tensy daar spesiale omstandighede aanwesig is wat sodanige gebruik onregmatig sal maak (sien bv Wise 4–96 en gesag daar aangehaal).

67 Sien bv *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 689; *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd supra* 193; Van Heerden en Neethling 139 140.

oog af gaan dit hier weer oor die vraag of sekere inligting as 'n handelsgeheim kwalifiseer of nie, maar in werklikheid is die saak nie so eenvoudig nie. Soms sal dit redelik maklik wees om te beslis dat die ter sake inligting nie 'n handelsgeheim is nie, omdat dit nie voldoen aan die vereistes⁶⁸ van geheimhouding en waarde in die handel nie.⁶⁹ Dit staan natuurlik die werknemer vry om dié tipe inligting in mededinging met sy vorige werkgewer te gebruik, al het hy dit bekom terwyl hy in dié se diens was.⁷⁰

Moeliker is die gevalle waar dit inderdaad 'n handelsgeheim van die werkgewer is wat in gedrang kom,⁷¹ maar daar omstandighede aanwesig is wat veroorsaak dat die voormalige werknemer so 'n groot belang daarby het om die inligting te gebruik dat dit nie buite rekening gelaat kan word nie. Sodanige omstandighede kan byvoorbeeld teenwoordig wees waar die werknemer vir 'n baie lang tyd 'n sleutelfiguur in diens van sy vorige werkgewer was wat 'n baie gespesialiseerde kennis en vaardigheid verkry het. Hierdie gespesialiseerde kennis en vaardigheid kan dan sy belangrikste bates wees wat hy in 'n eie onderneming of in diens van 'n ander kan aanwend. Aan die ander kant sal sy gebruik van hierdie kennis en vaardigheid 'n *de facto* skending van sy vorige werkgewer se handelsgeheim wees. Daar moet dus gekies word tussen die belang van die werkgewer om alleengebruiker van die handelsgeheim te bly, en die belang van die werknemer om dieselfde handelsgeheim te gebruik ten einde sy volle potensiaal in die mark te verwesenlik. Hierdie afweging van belange moet aan die hand van die *boni mores*-kriterium plaasvind. Al die faktore wat kan dui op die *redelikheid* al dan nie van sowel die werkgewer as die werknemer se optrede moet nou in berekening gebring word. As die werknemer byvoorbeeld kort voor hy die diens van die werkgewer verlaat het, aantekeninge of afmetings maak wat nie nodig was vir die behoorlike uitvoering van sy pligte nie, sal dit dui op die onredelikheid van sy optrede.⁷² As die werknemer aan die ander kant net inligting benut wat na jare eerlike diens in sy geheue vasgesteek het, en die werkgewer nooit enige

68 Soos hierbo (par 2) uiteengesit.

69 In die regspraak word veral die vereiste van geheimhouding beklemtoon, en word inligting wat wyer in die betrokke bedryf bekend is, gekontrasteer met vertroulike inligting wat eie is aan die betrokke onderneming (sien bv *Coolair Ventilator Co (SA) (Pty) Ltd v Liebenberg supra* 689).

70 Sg "restraint-of-trade"-kontrakte kan natuurlik die posisie wysig, maar dit gaan dan nie meer om die beskerming van 'n handelsgeheim nie.

71 Deurdadig dit inderdaad aan die gestelde vereistes van geheimhouding en waarde in die handel voldoen.

72 Sien bv *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd supra* 327.

aanduiding gegee het dat hy dié inligting as sy handelsgeheim beskou nie,⁷³ kan moontlik ten gunste van die werknemer beslis word.⁷⁴ As algemene reël sal daar egter baie besondere omstandighede in die guns van die werknemer moet wees alvorens sy gebruik van sy vorige werkgewer se handelsgeheime regmatig sal wees.⁷⁵

3 Remedies

Wanneer 'n eienaar van 'n handelsgeheim die hof om regshulp nader, is die volgende remedies tot sy beskikking.

3.1 'n Aksie om skadevergoeding

'n Logiese gevolg van die howe se beskouing dat die aanspreeklikheid wat by die skending van 'n handelsgeheim opgedoen kan word, Aquilies is,⁷⁶ is dat 'n skadevergoedingsaksie in beginsel tot beskikking van die eienaar van die handelsgeheim is. Vanselfsprekend moet die eiser al die elemente van die onregmatige daad bewys alvorens hy kan slaag. Aspekte van onregmatigheid en die handelingselement is reeds⁷⁷ in oënskou geneem. Enkele opmerkings oor die ander elemente is miskien gepas.

3.1.1 Skuld

Die mees voorkomende vorm van skuld in gevalle van onregmatige mededinging waar handelsgeheime aangetas is, is opset. Gevalle van *nalatige* skending van handelsgeheime het nog nie in die gerapporteerde regspraak voor-

73 Dié gedrag van die werkgewer kan natuurlik moontlik as stilswyende toestemming vertolk word (vgl vn 34 hierbo).

74 Sien Van Heerden en Neethling 140 vir ander faktore wat moontlik — in navolging van die Duitse reg — hier in ag geneem kan word. As die werknemer self 'n sleutelrol in die ontwikkeling van die betrokke handelsgeheim gespeel het, kan dit moontlik ten gunste van hom tel. As hy egter spesifiek in diens geneem is om die handelsgeheim te ontwikkel, sal die handelsgeheim dié van die werkgewer bly (sien *Multi Tube Systems (Pty) Ltd v Ponting supra* 187; *Northern Office Micro Computers (Pty) Ltd v Rosenstein supra* 136).

75 Die howe volg naamlik in dié verband die benadering van die Engelse en Amerikaanse reg (sien vn 66 67 hierbo).

76 Sien vn 22 hierbo.

77 *Supra* par 2.

gekom nie. Daar is trouens *dicta* met die strekking — weliswaar nie ondub-belsinnig nie — dat hierdie verskyningsvorm van onregmatige mededinging beperk is tot gevalle waar die inbreukmaker opsetlik opgetree het.⁷⁸ Myns insiens is daar geen rede waarom *nalatigheid* nie ook 'n voldoende skuld-vorm kan wees nie.⁷⁹ Dit sal immers strook met die feit dat die toepaslike aksie die *actio legis Aquiliae* is, soos die howe dit ook telkens uitdruklik stel.⁸⁰

Gevalle waar die nalatige skending van handelsgeheime denkbaar kan voor-kom, is (onder andere) die volgende: Waar die verweerder nie subjektief on-regmatigheidsbewussyn gehad het nie (en dus nie vir opset verwynt kan word nie), maar waar die redelike man wel onregmatigheidsbewussyn sou gehad het, kan die verweerder nalatig wees. Die verweerder het byvoorbeeld nie besef dat die betrokke inligting geheim is nie, of dat hy toestemming nodig gehad het om dit te gebruik of bekend te maak nie, onder omstandighede waar die redelike man dit wel sou besef het. Die redelike man sou dan voor-sien het dat sy ongemagtigde gebruik of bekendmaking vir die eenaar ver-moënskade kan berokken, en sou dan die voorsienbare skade voorkom het deur anders op te tree.⁸¹ As die verweerder onder sulke omstandighede 'n ander se handelsgeheim gebruik of bekend maak,⁸² wyk sy gedrag af van die standaard van die redelike man en behoort die verwynt van nalatigheid hom te tref. 'n Tweede denkbare geval van nalatige skending van 'n han-delsgeheim sou wees waar 'n werknemer versuim om stappe te doen om sy werkgewer se handelsgeheim te beveilig teen kennisname deur mededingers in omstandighede waar die redelike man sodanige kennisname — en daaruit voortspuitend moontlike vermoënskade — sou voorsien het, en voorkomende, beveiligende stappe sou gedoen het.⁸³

78 *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 221; *Stellenbosch Wine Trust Ltd v Oude Meester Group Ltd supra* 162.

79 Dit is ook lank reeds Van Heerden en Neethling 136 vn 2 se standpunt.

80 Sien vn 22 hierbo.

81 Vgl in die algemeen Neethling, Potgieter en Visser 118 ev.

82 Blote kennisnamegevalle sal waarskynlik nie hier voorkom nie, omdat die skuld-vraag net ter sprake sal kom waar 'n skadevergoedingsaksie ingestel word. Ver-moënskade sal dus ook bewys moet word, en dit sal waarskynlik net by onge-magtigde gebruik en bekendmakingsgevalle moontlik wees. 'n Kennisnamege-val sal hoogstens die gevaar van dreigende vermoënskade inhou, en 'n interdik sal die aangewese remedie wees (sien ook vn 55 hierbo).

83 Terloops kan daarop gewys word dat die handeling in hierdie geval 'n late (*omissio*) is.

3.1.2 Vermoënskade

Alvorens 'n aksie om skadevergoeding kan slaag, moet die eiser natuurlik bewys dat hy vermoënskade gely het.⁸⁴ Soos gesien,⁸⁵ is die skending van 'n handelsgeheim meestal 'n vorm van onregmatige mededinging. Die skade wat die eiser ly, sal dus normaalweg bestaan in 'n finansiële nadelige inwerking op die werfkrag van sy onderneming, byvoorbeeld waar hy kliënte of potensiële kliënte verloor het wat hy gehad het of sou gehad het toe slegs hy nog oor die handelsgeheim beskik het.⁸⁶ Dit sal alleen die geval kan wees waar die eiser en die verweerder inderdaad in 'n gemeenskaplike mark handelsmededingers is.⁸⁷

Die eiser se taak om die *omvang* van sy skade te bewys, sal dan dikwels 'n besonder moeilike een wees. Die howe behoort in sodanige gevalle nie 'n matematiese presiese bewys van die omvang van die skade te vereis nie.⁸⁸

Dit is wel denkbaar dat die “eienaar” van 'n handelsgeheim ook skade kan ly selfs al is sy werfkrag nie aangetas nie, byvoorbeeld⁸⁹ waar die verweerder die handelsgeheim bekom en begin gebruik het alvorens die eienaar self die geleentheid gehad het om dit te benut. Sy (toekomstige) skade sal dan bestaan in sy onvermoë om die finansiële voordeel uit die benutting van sy handelsgeheim te trek wat andersins moontlik sou gewees het.⁹⁰ In so 'n geval sou dit moontlik dienstig wees om die omvang van sy skade te bereken met verwysing na 'n billike vergoeding (“royalty”) waarop hy geregtig sou gewees het indien hy die handelsgeheim aan die verweerder sou “verkoop” het.⁹¹

84 Sien in die algemeen Neethling, Potgieter en Visser 177 ev.

85 *Supra* par 1.

86 Sien *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 221.

87 *Idem* 221 222.

88 Sien Van Heerden en Neethling 27 – 29.

89 'n Ander geval waar die eiser se werfkrag nie aangetas sal wees nie, is waar hy geen werfkrag het nie — 'n geval van skending van die handelsgeheim buite mededingingsverband (sien vn 44).

90 Sien *Harchris Heat Treatment (Pty) Ltd v Iscor supra* 555: “Loss will, at least *prima facie*, be occasioned by the unlawful deprivation of the owner of a trade secret of the right to exploit it, whether by attracting custom, or in other ways.”

91 Vgl bv die gedagtes van Oberdick “The taking of trade secrets: what constitutes just compensation?” 1986 *University of Pittsburgh LR* 247, wat weliswaar oor vergoeding by *regmatige* aantasting van handelsgeheime in die Amerikaanse reg handel.

By die berekening van die kwantum van skadevergoeding moet die *tydsgebondenheid* van die voordeel wat deur 'n handelsgeheim verskaf word, ook in gedagte gehou word.⁹²

3.1.3 Kousaliteit

'n Kousale verband tussen die onregmatige skending van die handelsgeheim en die gelede vermoënskade moet bewys word alvorens 'n skadevergoedingsaksie kan slaag.⁹³ Waar die skade uit 'n nadelige inwerking op die eiser se werfkrag bestaan,⁹⁴ sal bewys van die feit dat die eiser en die verweerder mededingers in 'n gemeenskaplike veld was, bewys van die kousale verband vergemaklik.⁹⁵

3.2 Interdik

Die interdik is waarskynlik die belangrikste remedie in die beskerming van handelsgeheime.⁹⁶ Voorvereiste in die verlening van 'n interdik is onregmatigheid of dreigende onregmatigheid.⁹⁷ Die bespreking van onregmatigheid hierbo⁹⁸ is dus ewe veel van belang vir die interdik as vir die aksie vir skadevergoeding. Skuld en werklik ingetrede skade word egter nie vereis vir die interdik nie.⁹⁹ 'n Interdik sal slegs toegestaan word as die voorsprong wat die handelsgeheim aan die "besitter"¹⁰⁰ daarvan besorg het, nie reeds afge-loop het nie.¹⁰¹

92 Sien vn 42.

93 Sien in die algemeen Neethling, Potgieter en Visser 145 ev.

94 En die aksie dus een op grond van onregmatige mededinging is (vgl weer vn 44).

95 Sien *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* 222.

96 Vgl Van Heerden en Neethling 29 oor die interdik as remedie by onregmatige mededinging.

97 *Ibid.*

98 Par 2.

99 Van Heerden en Neethling 29 30.

100 Dws die eienaar; of die persoon wat dit ongemagtig bekom het. Die begrip moet nie in 'n sakeregtelike sin verstaan word nie.

101 *Multi Tube Systems (Pty) Ltd v Ponting supra* 189. Die hof het hier die *Conmar*-kant van die sg *Shellmar-Conmar*-dispuut van die Amerikaanse reg gekies (sien hieroor bv die *Multi Tube*-saak 198G – H; Turner 427 ev; Barclay "Trade secrets: how long should an injunction last?" 1978 *UCLA LR* 203). Hierdie hele vraagstuk hang natuurlik saam met die beperkte duur van die sg "springboard"; sien vn 42.

3.3 “Delivery up”

Indien die beweerde inbreukmaker in besit is van sekere items¹⁰² wat dit vir hom moontlik maak om verdere inbreukmakende handeling met die handelsgeheim te verrig, behoort die eienaar ’n bevel van die hof te kan vra vir oorgawe of vernietiging van daardie items.¹⁰³

3.4 Anton Piller-tipe bevele

In gevalle waar ’n beweerde inbreukmaker in besit was van materiaal waarop die eienaar van ’n handelsgeheim ’n saaklike of persoonlike reg gehad het, of wat as noodsaaklike bewysmateriaal in ’n geding kon dien, het die hofe al Anton Piller-tipe bevele vir beslaglegging van dié materiaal verleen.¹⁰⁴ Die posisie met betrekking tot hierdie tipe bevele is tans onseker.¹⁰⁵

3.5 “Account of profits”

Dit is te betwyfel of hierdie remedie ter beskerming van ’n handelsgeheim aangevra kan word.¹⁰⁶

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- 102 Bv aantekeninge wat hy van die “eienaar” se geheime proses gemaak het, afskrifte van sy kliëntelyste, ens.
- 103 Sien bv *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd supra* en *Multi Tube Systems (Pty) Ltd v Ponting supra* waar hierdie tipe bevel aangevra is, maar die hof nie daarvoor beslis het nie. Vgl Kelbrick “Delivery up in trade mark litigation” 1987 *MB* 12 en gesag aldaar aangehaal. Kelbrick argumenteer dat dié remedie in Suid-Afrika ’n vorm van gebiedende interdik is.
- 104 Die wesenlike gevaar bestaan natuurlik dat ’n Anton Piller-tipe bevel wat te wyd geformuleer is, of wat onbehoorlik uitgevoer word, die applikant in staat kan stel om die beweerde inbreukmaker se handelsgeheime te bekom. Dit is dus noodsaaklik dat voldoende beperkings en kontroles by die uitreiking van so ’n bevel ingebou moet word (vgl bv *Wilrose Timbers (Pty) Ltd v CE Westergaard (Pty) Ltd supra*; *Easyfind International (SA) (Pty) Ltd v Instaplan Holdings supra*; *Cerebos Food Corporation Ltd v Diverse Foods SA (Pty) Ltd* 1984 4 SA 149 (T)).
- 105 Die geldigheid en raadsaamheid van Anton Piller-tipe bevele was die onderwerp van Projek 57 van die Suid-Afrikaanse Regskommissie. Die verslag het aanbeveel dat bepaalde regsrae mbt dié bevele aan die appèlhof voorgelê moet word vir beslissing ingevolge a 23 van die Wet op die Hooggeregshof 59 van 1959. Tot tyd en wyl dit gebeur, is die geldigheid en draagwydte van hierdie tipe bevele onseker.
- 106 Sien Van Heerden en Neethling 137 vn 4.

7

Statutêr beskermde immaterieelgoedereregte en onregmatige mededinging (veral prestasieaanklamping)

ED DU PLESSIS*

1 Inleiding

Immaterieelgoedereregte word in die klassifikasie van subjektiewe regte erken¹ as die vierde kategorie van sodanige regte, naas saaklike regte, persoonlike of vorderingsregte en persoonlikheidsregte. Die klassifikasie van subjektiewe regte vind plaas op grond van die aard van die regsobjek waarop die reg telkens betrekking het. Die immaterieelgoedereregte verskil van die ander subjektiewe regte op grond daarvan dat die regsobjek by 'n immaterieelgoederereg 'n ontasbare onliggaamlike produk van die mens se geestesarbeid is

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1 Van Heerden en Neethling *Die Reg aangaande Onregmatige Mededinging* (1983) 34–35. Brooks “Immaterial property rights and the promotion of competition” 1987 *Moderne Besigheidsreg (MB)* 22 28.

wat buite die mens en onafhanklik van hom bestaan, en wat vermoënswaardede het.²

Immaterieelgoedereregte het nog altyd 'n belangwekkende tweeledige karakter gehad; 'n tweeledigheid wat voortspruit uit die feit dat immaterieelgoedereregte in die breë in twee groepe verdeel word — nie met verwysing na die aard van die regte nie, maar na die bron waaruit die regte hul ontstaan en beskerming ontleen — naamlik statutêr geskape en beskermde regte ener syds, en regte wat op grond van die beginsels van die gemenerereg erken en beskerm word andersyds. Eersgenoemde groep sluit die patentregte,³ outeursregte,⁴ regte op handelsmerke,⁵ die regte op geregistreerde modelle⁶ en die sogenaamde planttelersregte⁷ in. In die ander groep (dit wil sê waarvan die bestaan en beskerming aan die gemenerereg ontleen word) het tot dusver slegs die reg op die werfkrag as algemeen erkende gemeenregtelike immaterieelgoederereg uitgekristalliseer.⁸ By onregmatige mededinging gaan dit natuurlik telkens om 'n onregmatige aantasting van die werfkrag, dit wil sê 'n inbreukmaking op die subjektiewe reg ten aansien van die werfkrag.⁹

Daar kan egter nie sonder meer aanvaar word dat die vermelde klasse van regte 'n *numerus clausus* daarstel nie: die moontlikheid bestaan dat daar nog

2 Brooks 1987 *MB* 28 noem die vereiste dat 'n immaterieelgoederereg vermoëns waarde moet hê. Hoewel 'n bepaalde ekonomiese waarde nie werklik 'n wesens kenmerk van die onstofflike regsgoed is nie (en sommige immateriële regsgoedere sal ook nie noodwendig 'n duidelike ekonomiese waarde hê nie — juis daarom dat die kwantifisering van skadevergoeding soms so moeilik is in die geval van inbreuk), is die aansienlike vermoëns waarde van dié goedere juis een van die faktore wat dui op die bestaansreg van 'n reg ten opsigte daarvan, en wat die verlening van beskerming teen ongemagtigde aanwending deur andere regverdig. Alle produkte van die mens se geestesarbeid sal egter potensiële ekonomiese waarde hê, en dus potensiële vermoëns waarde, omdat sodanige goedere per definisie los en onafhanklik van hul skepper bestaan, en dus verveem kan word (kyk ook Joubert "Die reg en inligting" 1985 *De Jure* 34 37).

3 Kragtens die Wet op Patente 57 van 1978.

4 Kragtens die Wet op Outeursreg 98 van 1978.

5 Kragtens die Wet op Handelsmerke 62 van 1963.

6 Kragtens die Wet op Modelle 57 van 1967.

7 Kragtens die Wet op Planttelersregte 15 van 1976.

8 Van Heerden en Neethling behandel die onderwerp in hfst 4, en voer aan dat die onderskeidingsteken ook as die objek van 'n immaterieelgoederereg erken behoort te word. Volgens hulle (97 – 98) is dit reeds die posisie in ons reg (vgl ook *Pepsico Inc v United Tobacco Co Ltd* 1988 2 SA 334 (W) 337 – 339).

9 Van Heerden en Neethling hfst 4 veral 79.

regte tot albei groepe toegevoeg kan word, soos wat daar verdere klasse beskermingswaardige immateriële regsgoedere erken word. Daar word byvoorbeeld tans op die gebied van die statutêre reg ondersoek ingestel na die wenslikheid om deur wetgewing beskerming te verleen aan sogenaamde industriële modelle van 'n funksionele aard¹⁰ — 'n kategorie van geesteskeppinge ten opsigte waarvan daar geen statutêre beskerming bestaan sedert die Wet op Outeursreg in 1988 gewysig is nie.¹¹ Voorts het die Suid-Afrikaanse Regskommissie onlangs begin met 'n ondersoek na die wenslikheid om deur wetgewing spesifieke (en moontlik andersoortige en meer doeltreffende) beskerming te verleen aan rekenaarsagteware — 'n kategorie geesteskeppinge wat sedert die beslissing in *Northern Office Micro Computers (Pty) Ltd v Rosenstein*¹² algemeen aanvaar word — egter nie sonder bedenkinge nie — as 'n tipe regsgoed wat as letterkundige werke op outeursregbeskerming geregtig is.¹³

Wat die gemeenregtelike immaterieelgoedereregte betref, is dit eweneens nie onmoontlik dat een of meer nuwe klasse beskermingswaardige regsgoedere mettertyd sal uitkristalliseer nie: daar word alreeds verwys — heeltewel te reg, word aan die hand gedoen — na die reg op die handelsgeheim as synde 'n selfstandige immaterieelgoederereg¹⁴ ofte wel 'n "intellectual property right".¹⁵ Hoewel Van Heerden en Neethling die ongemagtigde gebruik van

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- 10 Hierdie aangeleentheid is aanvanklik ondersoek deur die *Ad hoc*-komitee insake Immaterieelgoederereg wat deur die Adjunk-Minister van Tegnologie in die Departement van Handel en Nywerheid aangestel is (die sg Harms-komitee). Nadat a 40 van die Wet op Outeursreg egter gedurende 1989 gewysig is deur die Wysigingswet op Outeursreg 61 van 1989 om aan die statutêre advieskomitee ingevolge daardie artikel wyer bevoegdhede te verleen, sal die saak waarskynlik deur die nuwe advieskomitee wat ingevolge a 40 aangestel word, verder gevoer word.
- 11 A 15(3A) is deur die Wysigingswet op Outeursreg 13 van 1988 gewysig sodat die 10 jaar-termyn van beskerming wat sedert 1983 kragtens die Wet op Outeursreg aan industriële artikels verleen is, afgeskaf is.
- 12 1981 2 SA 123 (K).
- 13 Visser "A comparative survey of aspects of the subsistence of copyright in computer software" 1984 *CILSA* 32; Horwitz "The Copyright Act of 1978 as it affects computer programs and data" 1983 *SALJ* 301; Du Plessis "Protection of computer software" 1985 *MB* 115.
- 14 Kyk bv Van Heerden en Neethling 132 – 133; maar *contra* Joubert 1985 *De Jure* 37 – 38.
- 15 *Harchris Heat Treatment (Pty) Ltd v ISCOR* 1983 1 SA 548 (T) 555, asook in appél 1987 4 SA 421 (A). Die gebruik van die term "property" is in orde solank maar net sorg gedra word dat dit nie as die Romeins-Hollandsregtelike "eien-dom" of "saak" verstaan en gehanteer word nie.

'n ander se handelsgeheim primêr as 'n onregmatige aantasting van sy werfkrag (en dus inbreuk op die subjektiewe reg op sy werfkrag) behandel, word die bestaan van die handelsgeheim as selfstandige regsgoed uitdruklik erken.¹⁶ Daar bestaan geen prinsipiële rede waarom sodanige wanaanwending nie los van die werfkrag kan plaasvind nie, dit wil sê sonder dat daar 'n aantasting van die "eienaar" van die handelsgeheim se werfkrag is — 'n moontlikheid wat deur Van Heerden en Neethling¹⁷ voorsien word. So 'n aantasting behoort dan in eerste instansie as die aantasting van 'n eiesoortige immateriële regsgoed (en gevolglik as 'n inbreuk op 'n eiesoortige immateriëlegoedere-reg) beskou te kan word.

Die skeidingsvlak, maar tegelyk ook die raakpunte, tussen die statutêre immateriëlegoedere-regte en die gemeenregtelike immateriëlegoedere-reg (of dan moontlik -regte) het in die jongste tyd sterk na vore gekom, veral as gevolg van die snelle ontwikkeling op tegnologiese gebied waardeur (voorheen onbekende) onstoflike regsgoedere geskep is, en die gepaardgaande ekonomiese oorwegings wat van hierdie regsgoedere uiters waardevolle vermoënsbates gemaak het.

Die samehang tussen die statutêre en die gemeenregtelike immateriëlegoedere-regte kan waargeneem word by aantastings van onstoflike regsgoedere in sommige grensgevalle, waar beskerming geveerg (en somtyds verleen) word in die praktyk, en waar dit om die een of ander rede nie 'n duidelike geval van inbreuk op 'n statutêre immateriëlegoedere-reg is nie. Is daar in so 'n geval 'n duidelike onregmatige aantasting van die werfkrag, en dus onregmatige mededinging, is die grondslag vir regshulp duidelik. 'n Probleem ontstaan egter waar daar, om die een of ander rede, *nie* 'n aantasting van die *werkkrag* plaasvind nie (byvoorbeeld omdat daar nie 'n mededingingsituasie

16 Kyk 132 vn 81; 133 en veral vn 82; 134.

17 81 vn 2. Dit was juis 'n probleem waarmee die hof *a quo* in die *Harchris*-saak te kampe gehad het (kyk 555). Die hof het trouens inderdaad voorsien dat die skade by die ongemagtigde gebruik van 'n handelsgeheim geleë kan wees in "the deprivation of the owner of a trade secret of the right to exploit it, whether by attracting custom, or in other ways" (outeur se beklemtoning). Soos die hof dit stel (555): "The defendant has misappropriated intellectual property belonging to the plaintiff" — en daarin lê die onregmatigheid alreeds, sonder dat daar noodwendig 'n aantasting van sy werfkrag hoef te gewees het.

bestaan nie)¹⁸ of waar die aantasting nie binne een van die gekykte klasse¹⁹ van onregmatige inwerkings op die werfkrag val nie.²⁰

Ten einde in sulke gevalle regshulp te verleen wat op billikeidsgronde verdienstelik is, moet die howe soms poog òf om 'n wyer interpretasie aan die omvang van 'n statutêre reg te gee,²¹ òf om nuwe, wyer kriteria vir die vasstelling van onregmatigheid neer te lê,²² of om 'n gans ander grondslag vir regshulp te vind.²³

Die vraag wat telkens by 'n beskouing van hierdie grensgevalle ontstaan, is of die regsorde op die huidige tydstip oor die nodige regsmiddels beskik om in al die gevalle waar beskerming nodig en geregverdig lyk, inderdaad die gevraagde regshulp te verleen op 'n grondslag wat duidelik geïdentifiseer en bevredigend gefundeer kan word. En verder, of prestasieaanklamping moontlik die ideale regsmiddel bied om vir hierdie gevalle voorsiening te maak.

2 Besondere gevalle van aantasting van immateriële regsgoedere

Teen hierdie agtergrond kan nou gekyk word na enkele voorbeelde van gevalle waar 'n onstoflike regsgoed aangetas is in omstandighede waar die verlening van beskerming afgehang het van bevindings oor die bestaan van 'n immaterieelgoederereg ten opsigte van die regsgoed, oor die geldigheid van

18 Soos in *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd* 1981 3 SA 1129 (T); en in *Harchris Heat Treatment (Pty) Ltd v ISCOR supra*

19 Kyk Van Heerden en Neethling hfst 5 en 6; *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) (Pty) Ltd* 1968 1 SA 209 (K) 216.

20 Soos in *Schultz v Butt* 1984 3 SA 568 (OK); 1986 3 SA 667 (A) 678.

21 Soos in *Galago Publishers (Pty) Ltd v Erasmus* 1989 1 SA 276 (A); *Multotec Manufacturing (Pty) Ltd v Screenex Wire Weaving Manufacturers (Pty) Ltd* 1983 1 SA 709 (A).

22 Soos in *Dun and Bradstreet supra*; *Lorimar Productions supra*; *Schultz v Butt supra*.

23 Vgl *Harvey Tiling Co (Pty) Ltd v Rodomac (Pty) Ltd* 1977 1 SA 316 (T) waar die hof, hoewel daar 'n mededingingsituasie aanwesig was, as grondslag vir sy uitspraak blykbaar die Engelsregtelike "breach of confidence"-beginsel aanvaar (kyk 321F – H en 322D – G). Hoewel die hof klaarblyklik die implikasies van die gebeure in die mededingingsverband in ag neem (kyk 325F – G 325H – 326B), is dit om uiteindelik tot die slotsom te kom (326B – C) dat die inligting vertroulik was, sonder om sover te gaan as om duidelik te bevind dat daar onregmatige mededinging was.

so 'n reg, en oor die vraag of die aantasting binne die omvang van daardie reg geskied het.

Die eerste groep voorbeelde, waardeur die interaksie tussen die statutêre en gemeenregtelike immaterieelgoedereregte geïllustreer word, is die trilogie sake wat oor nywerheidsontwerpe gehandel het, naamlik *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd*,²⁴ *Bosal Afrika (Pty) Ltd v Grapnel (Pty) Ltd*²⁵ en *Schultz v Butt*.²⁶

In die *Klep Valves*- en *Bosal Afrika*-sake word drie-dimensionele reproduksies van 'n outeursregwerk gekopieer. In eersgenoemde saak is die outeursregwerk 'n artistieke werk in die vorm van tegniese tekening; en in die *Bosal Afrika*-saak is daar sprake van twee tipes outeursregwerke: 'n letterkundige werk, en artistieke werke in die vorm van tegniese tekening en 'n handwerk van 'n tegniese aard. Tegniese en interpretasieprobleme waarmee die hof te kampe het ter syde gelaat, kom die uitsprake daarop neer dat die hof in albei gevalle bevind dat daar inbreuk op outeursreg, dit wil sê op 'n statutêre immaterieelgoederereg was, en regshulp in die vorm van 'n interdik wat verdere kopiëring verbied, word toegestaan. Die hof ag dit in albei gevalle nie nodig om op die mededingingsaspek in te gaan nie. By hierdie twee sake het 'n mens dus te doen met klassieke outeursregskendings waarvoor regshulp volgens die toepaslike wet verleen word.

In *Schultz v Butt* is die posisie ietwat anders, aangesien daar 'n mate van twyfel is oor die bestaan van outeursreg in die gietvorm en/of die bootromp wat deur die inbreukmaker gekopieer is, veral ten tyde van die kopiëring. Hoewel die appèlhof kortweg bevind²⁷ dat daar wel outeursreg bestaan het en dat daar outeursregskending was, gaan die hof breedvoerig in op die vraag of daar onregmatige mededinging was. Die hof stel dit duidelik²⁸ dat daar geen sprake is van die ongemagtigde gebruik van vertroulike inligting nie (dit is een van die geykte wyses van onregmatige inwerking op die werfkrag),²⁹ en dat³⁰

24 1985 1 SA 646 (T) (1987 2 SA 1 (A)).

25 1985 4 SA 882 (K).

26 1984 3 SA 568 (OK) (1986 3 SA 667 (A)).

27 685.

28 680.

29 Kyk die uiteensetting in *Dun and Bradstreet supra* vn 19.

30 681.

“the question to be decided in this case is not whether one may lawfully copy the product of another but whether A, in making a substantially identical copy, with the use of B’s mould, of an article made by B, and selling it in competition with B, is engaging in unfair competition”.

Dit is dus duidelik prestasieaanklamping as ’n vorm van onregmatige mededinging wat hier ter sprake is. Die hof verwys³¹ na Van Heerden en Neethling, en uitvoerig³² na die Britse regsgeleerde Christine Fellner,³³ waar sy stellings soos die volgende maak:

“The unfairness here resides in the *method* of copying; the defendant is taking the fruits of the plaintiff’s money, skill and labour intact, without investing any of his own.”

Die hof kom dus tot die slotsom dat daar wel onregmatige mededinging was, en maak die volgende insiggewende stelling:³⁴

“In South Africa the Legislature has not limited the protection of the law in cases of copying to those who enjoy rights of intellectual property under statutes. The fact that in a particular case there is no protection by way of patent, copyright or registered design, does not licence a trader to carry on his business in unfair competition to his rivals.”

Hoe belangwekkend hierdie uitspraak ook al mag wees deurdat dit duidelik aantoon dat in gevalle van aantasting van ’n immateriële regsgoed waar daar geen duidelike statutêre immaterieelgoederereg bestaan nie, die gemeenregtelike immaterieelgoederereg, veral in die verskyningsvorm van prestasieaanklamping, ’n uitweg kan bied, is dit duidelik dat die uitweg slegs bestaan waar daar ’n mededingingsituasie bestaan.

Die tweede groep voorbeelde illustreer hoe die hof ’n ander uitweg kies waar ’n aantasting van ’n onstoflike regsgoed plaasvind in omstandighede waar dit by die eerste oogopslag blyk dat die aantasting nie binne die parameters van die betrokke statuut val nie. Die sake wat hier ter sake is, is *Galago Publishers (Pty) Ltd v Erasmus*³⁵ en *Multotec Manufacturing (Pty) Ltd v Screenex Wire Weaving Manufacturers (Pty) Ltd*.³⁶

31 682.

32 682 – 683.

33 Fellner *The Future of Legal Protection for Industrial Designs* (1985) 319 471.

34 683 – 684.

35 1989 1 SA 276 (A).

36 1983 1 SA 709 (A).

Die *Galago Publishers*-saak handel oor die “kopiëring” van ’n letterkundige werk, en die spil waarom die uitspraak draai, is die vraag of die tweede werk in der waarheid ’n reproduksie van ten minste ’n wesenlike gedeelte van die eerste werk is: “The sole issue, therefore, is that of objective similarity.”³⁷ Volgens die feite was dit duidelik dat die verweerder van die eerste werk gebruik gemaak het toe die tweede geskep is — dat subjektiewe kopiëring dus aanwesig was — wat skending sou daarstel mits objektiewe gelykvormigheid aanwesig was. Die hof wys uitvoerig³⁸ op die verskille tussen die twee werke — verskille waaruit dit duidelik blyk dat daar van ’n woordelike reproduksie geen sprake kon wees nie, hoewel die tweede werk moontlik ’n aanwending van die eerste kon wees (’n aspek wat die hof nie oorweeg nie).

Desnieteenstaande bevind die hof (na ’n uitvoerige vergelyking van die ooreenkomste in die materiaal wat gebruik is, die opeenvolging van insidente, ensovoorts) dat daar tóg gelykvormigheid en dus kopiëring was; nie soseer van die uitdrukkingswyse in woorde nie, maar veral van die spesifieke insidente wat verhaal word, die opeenvolging van insidente, omstandighedsbesonderhede, keuse van karakters, ensovoorts — dit wil sê van die *onderliggende idees* eerder as van die stoflike verwesenliking daarvan in die geskrewe woord. Die hof bevind gevolglik dat die tweede werk ’n reproduksie van ’n wesenlike gedeelte van die eerste was.³⁹ Wat opval is dat die hof die begrip “kopieer” as skendingshandeling heelwat wyer interpreteer as wat tradisioneel die geval was, om ook die kopiëring van die onderliggende idees in te sluit. Die hof⁴⁰ verwys na die tradisionele opvatting:

“It has often been stated that there is no copyright in ideas or thoughts or facts, but only in the form of their expression; and if their expression is not copied there is no infringement of copyright.”

Die opvatting word egter verwerp met ’n beroep⁴¹ — geheel en al oortuigend, word aan die hand gedoen — op onlangse Britse gesag.

’n Mens kan nie help om hierdie uitspraak te sien as ’n verruiming van die tradisionele kriteria om inbreukmaking te bepaal nie — ’n verruiming wat

37 283.

38 285–286.

39 294.

40 283.

41 284.

nodig was om regshulp te verleen in 'n geval waar die hof van mening was⁴² dat

“[i]n producing *Pictorial Account* [die tweede werk] the author availed himself unlawfully of a great deal of the skill and industry that went into the writing of *Top Secret War* [die eerste werk]”.

Dit is asof die hof hier weer eens die grondbeginsel van prestasieaanklamping verwoord, hoewel die uitspraak formeel op skending van outeursreg gegrond word.

In die *Multotec*-saak kry 'n mens te doen met 'n soortgelyke geval. By die oorweging van 'n eis op grond van die inbreukmaking op 'n patent, blyk dit dat die verweerder se artikel wesenlik dieselfde is as die uitvinding soos gedefinieer in die betrokke patentaanspraak, behalwe dat één element van die uitvinding (naamlik die vashegtingsmiddel) vervang is deur 'n vashegtingsmiddel wat effens anders werk om tog dieselfde resultaat te bereik. Die hof moet dus bepaal of die beweerde inbreukmakende vashegtingsmiddel binne die bewoording van die aanspraak val. Die hof maak hier weer gebruik van 'n verruimde interpretasie, in hierdie geval van die beginsel dat 'n patentaanspraak vertolk moet word volgens die letterlike betekenis van die woorde daarvan. Die hof druk sy benadering soos volg uit:⁴³

“In this connection I think that the Court should always guard against too ‘textual’ an approach in the interpretation of claims in a patent specification. It is true that it is in the claims that a patentee stakes out and defines his monopoly; and that the claims must be looked at in order to determine whether an infringement has taken place. But by peering too closely at the language of a claim the Court may overlook an infringement which takes the substance of the invention.”

Deur so 'n wyer interpretasie aan die aanspraak te heg, verruim die hof eintlik die kriteria vir inbreukmaking om regshulp te verleen in 'n geval waar die verweerder duidelik die wesenlike gedeelte van die patenthouer se prestasie toegeëien het, en in omstandighede waar regshulp andersins nie verleen sou kon word nie. Hier is daar egter geen sprake daarvan dat die mededinging-situasie 'n rol speel nie.

42 294.

43 1983 1 SA 709 (A) 721.

In hierdie tweede groep voorbeelde neem die hof dus nie sy toevlug tot die gemeenregtelike immaterieelgoederereg soos vergestalt in die mededingingsreg (en meer spesifiek prestasieaanklamping) nie, maar volg 'n ander roete om nietemin regshulp te verleen. In albei gevalle was daar natuurlik 'n geldige statutêre immaterieelgoederereg aanwesig waarop die eis kon berus. Wat die uiteinde sou wees waar daar nie 'n geldige reg was nie, is 'n ander vraag. In hierdie stadium kan kwalik voorsien word (in die lig van die vasstaande en algemeen aanvaarde beginsels van inbreukmaking op patente) dat die hof in die patentsaak in sodanige geval enige regshulp sou kon — of wou — verleen. In die geval van die reproduksie van die letterkundige werk is dit nie onmoontlik dat die hof dit as 'n geval van prestasieaanklamping sou kon beskou nie.

Die derde voorbeeld toon die omstandighede waar regshulp nie verleen is nie omdat daar nóg 'n geldige immaterieelgoederereg was, nóg 'n mededingingsituasie. Die saak wat hier ter sprake is, is *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd.*⁴⁴

In hierdie saak poog die eiser om die verweerder (en andere) daarvan te weerhou om van die karakter- en plekname, simbole, titels, ensovoorts uit 'n bekende televisiereeks gebruik te maak in verband met hulle besighede. Die onstofflike regsgoed waaroor dit hier gaan, is gekommersialiseerde karakterbeelde, en die beweerde aantasting is daarin geleë dat die verweerders hierdie beelde of simbole in die konteks van hulle eie ondernemings sonder toestemming gebruik as handelsmerke, besigheidsname ensovoorts. Die eiser beweer dat hierdie karakterbeelde en simbole deel van sy werfkrag vorm. Na 'n omvattende en indringende ondersoek van die tersake gesag (hier te lande sowel as in die buiteland) bevind die hof egter dat daar geen sprake van aanklamping kan wees nie aangesien die eiser en die verweerders nie in 'n mededingingsverhouding staan nie: eerstens is daar geen “common field of activity” waarin die partye hul besigheid bedryf nie, sodat Lorimar geen reputasie op die gebied van die verweerders se besigheid verwerf nie; en tweedens is daar geen waarskynlikheid van misleiding of verwarring nie.⁴⁵ Daarna oorweeg die hof die “general delict of unlawful competition”, en hier is die vraag of die kopiëring en ongemagtigde aanwending van die eiser se gekommersialiseerde karakterbeelde teen die *boni mores* en dus onregmatig was. Hoewel daar inderdaad kopiëring was, is nóg die kopiëring onregmatig,⁴⁶

44 1981 3 SA 1129 (T).

45 1149 1152.

46 1154.

nòg die daaropvolgende aanwending van die beelde en simbole omdat hulle “[were] used in a totally unrelated field and outside the direct competitive situation”.⁴⁷ In die afwesigheid van ’n statutêre immaterieelgoederereg (handelsmerk of outeursreg), word geen regshulp verleen nie.

In die vierde voorbeeld word regshulp wel in die hof *a quo* verleen in ’n geval waar die prestasie van ’n ondernemer gekopieer word deur die aanwending van vertroulike bedryfsinligting buite mededingingsverband en in die afwesigheid van ’n statutêre immaterieelgoederereg. Die betrokke saak is *Harchris Heat Treatment (Pty) Ltd v ISCOR*.⁴⁸

In hierdie saak word beweer dat die ontwerp van die eiser van ’n hoogoonde gekopieer is en sonder magtiging gebruik is. Die konsep en ontwerp as geheel was nuut en vertroulik en nie algemeen bekend nie, dus ’n bedryfsgeheim.⁴⁹ Die hof bevind dat

“the defendant arrived at the design of its ZD furnace by copying the Harchris furnace and that it saved itself a good deal of time, trouble and expence by doing so”.⁵⁰

Hierdie frasering dui duidelik op prestasieaanklamping. Hier word op die werfkrag ingewerk buite mededingingsverband, maar die hof bevind dat

“[t]he remedy under the *lex Aquilia* in cases of unlawful interference with the business of another is not confined to competitors in trade”.⁵¹

En hoewel die eiser geen statutêre immaterieelgoederereg gehad het nie, bevind die hof dat

“[t]he defendant has misappropriated intellectual property [dws die handelsgeheim] belonging to the plaintiff”.⁵²

Ongelukkig word die uitspraak in appèl omvergewerp, op grond daarvan dat daar geen kopiëring was nie.

47 1157.

48 1983 3 SA 548 (T) (1987 4 SA 421 (A)).

49 551.

50 554.

51 555.

52 *Ibid.*

Die vraag wat vervolgens gevra kan word, is of daar enige afleidings of gevolgtrekkings gemaak kan word op grond van bogemelde voorbeelde ten aansien van die samehang tussen die statutêre en die gemeenregtelike immaterieelgoedereregte.

Die belangrikste feit wat maar weer hieruit blyk, is dat die gebied van die immaterieelgoederereg tans nog gefragmenteerd is. Volgens die huidige stand sal immateriële regsgoed slegs met sekerheid kwalifiseer vir beskerming indien dit of binne een van die vasstaande statutêr-afgebakende klasse val, of duidelik binne die omvang van die gemeenregtelik-uitgekristalliseerde werfkrag tuisgebring kan word. Onstoflike goedere, of dit nou handelsgeheime is, of inligting (insluitende bedryfsinligting, tegnologiese inligting en persoonlike inligting), rekenaartegnologie (insluitende programmatuur en mikrovlakies), die produkte van genetiese manipulasie op die gebied van die mikrobiologie, funksionele nywerheidsontwerpe, gekommersialiseerde karakterbeelde, of wat ook al, wat die teiken is van aantastings in omstandighede buite bestek van hierdie wette of die erkende gemeenregtelike raamwerk ten opsigte van onregmatige mededinging, sal in die praktyk slegs in uitsonderlike en verregeande gevalle soos in *Harchris*, of dikwels glad nie, beskerming verleen word.

Die gevolgtrekking is dus dat juis as gevolg van die gefragmenteerdheid, daar soms in oënskynlik verdienstelike gevalle, waar daar deur 'n persoon se inisiatief, geestesarbeid, moeite en onkoste 'n onstoflike produk tot stand gekom het wat werd is om nageboots of gekopieer te word, as gevolg van die huidige stand van die reg geen remedie teen nabootsing of kopiëring verleen sal word nie tensy dit onregmatige mededinging daarstel.

3 Prestasieaanklamping in samehang met statutêre immaterieelgoedereregte

Hierbo is telkens verwys na die gemeenregtelike immaterieelgoederereg, naamlik die werfkrag, en na die feit dat die mededingingsreg te make het met onregmatige aantastings van die reg op die werfkrag.⁵³ Daar prestasieaanklamping ter sprake kom in verband met onregmatige mededinging, moet vervolgens bepaal word waar prestasieaanklamping in hierdie regsfiguur inpas. Aan-

53 Van Heerden en Neethling 77 – 80.

tasting van die werfkrag kan regstreeks of onregstreeks geskied,⁵⁴ en een van die onregstreekse wyses waarop die werfkrag aangetas kan word, is deur prestasieaanklamping.⁵⁵ In die geval van prestasieaanklamping geskied die inwerking op die werfkrag deurdat die mededinger nie slegs die aard nie maar die *prestasie self* van 'n ondernemer vir homself toeëien deur sy eie prestasie daarop te baseer. Hier maak 'n mededinger dus nie slegs van die onderliggende idee van 'n ondernemer se prestasie gebruik nie,⁵⁶ maar hy eien hom die ganse produk van die ondernemer se geestesarbeid toe — dit wil sê, die resultaat van al sy insette wat betref inisiatief, koste, arbeid en moeite — in omstandighede waar hy wel 'n keuse gehad het om sy prestasie op sy eie manier (dit wil sê, 'n ander manier) tot stand te bring.⁵⁷

Prestasieaanklamping behels dus die aanwending van 'n ondernemer se bedryfsidees, maar dit is nie beperk tot die ongemagtigde aanwending van *ongepubliseerde* bedryfsidees, dit wil sê vertroulike bedryfsinligting of handelsgeheime, nie. In laasgenoemde geval, naamlik waar 'n ondernemer se vertroulike bedryfsinligting sonder toestemming deur 'n mededinger gebruik word, bestaan daar geen twyfel nie dat die howe dit as onregmatig — en dus in gepaste omstandighede as onregmatige mededinging — sal beskou.⁵⁸ By prestasieaanklamping kan die bedryfsidees egter bekend wees in die sin dat die ondernemer die betrokke prestasie reeds openlik aangewend het; om hierdie rede kan daar 'n probleem bestaan om die onregmatigheid van 'n mededinger se ongemagtigde gebruik daarvan te fundeer. Die voortbouing op die idees van ander is immers die grondslag van ontwikkeling.⁵⁹ Die onregmatigheid is egter daarin geleë dat die mededinger geen eie prestasie daarstel nie, maar die ondernemer se prestasie parasiteer deur dit tot grondslag van sy eie skynprestasie te maak. Sodanige prestasie is in stryd met die mededingingsprinsiep, en is in beginsel onregmatig in mededingingsverband.⁶⁰

54 Kyk in die algemeen hieroor *idem* hfst 5 en 6.

55 *Idem* 143 – 148.

56 Vgl die uitgangspunt dat nie alle kopiëring onregmatig is nie in vn 67 hieronder.

57 Vgl hier die beginsel neergelê in *Agriplas (Pty) Ltd v Andrag & Sons (Pty) Ltd* 1981 4 SA 873 (K), nl dat die kopiëring van funksionele elemente, dws elemente wat noodwendig voortspruit uit die funksie wat die prestasie moet vervul, nie onregmatig is nie.

58 Soos bv in *Dun and Bradstreet supra* die geval was, asook in sake soos *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd* 1981 2 SA 173 (T).

59 Soos uitgewys deur Van Heerden en Neethling 141, en in die *Lorimar*-saak *infra* vn 67.

60 Hierdie aspek word uitvoerig verduidelik deur Van Heerden en Neethling 145.

Die aandag word vervolgens gevestig op enkele aspekte van prestasieaanklamping in die konteks van die samehang daarvan met die statutêre immaterieelgoedereregte: In die eerste plek veronderstel prestasieaanklamping daadwerklike *kopiëring*. 'n Mededinger wat onafhanklik en op grond van sy eie inisiatief en geestesarbeid presies dieselfde eindresultaat bereik, tree nie onregmatig op nie, en die ondernemer kan hom nie verhoed om sy identiese prestasie te benut nie selfs al word die werfkrag van die ondernemer daardeur aangesas. Hierdie beperking volg noodwendig uit die grondbeginsel by prestasieaanklamping, naamlik dat dit in stryd met die mededingingsprinsiep sou wees vir 'n mededinger om geen egte, eie prestasie daar te stel nie. Het die mededinger juis self 'n eie prestasie daargestel, is daar van onregmatige optrede geen sprake nie al sou die prestasie identies met dié van die eerste ondernemer wees. By prestasieaanklamping is daar dus geen sprake van 'n absolute monopolie nie.

So 'n verbod op kopiëring, wat wel as 'n beperkte monopolie beskou kan word, is natuurlik nie vreemd by die statutêre immaterieelgoedereregte nie; dit is juis die aard van die beskerming wat ingevolge die Wet op Outeursreg aan die skepper van 'n outeurswerk verleen word.

In die tweede plek kan daar van prestasieaanklamping geen sprake wees as die betrokke prestasie op sigself geensins verskil van wat alreeds algemeen in daardie bedryf bekend is nie; dit wil sê, as dit op sigself geensins of ten minste slegs onbeduidend verskil van ander mededingende prestasies.⁶¹ Die betrokke prestasie moet dus self iets besonders wees, 'n stappie vorentoe behels wat met eie inisiatief, koste, arbeid en moeite tot stand gebring is. So 'n beperking is weer eens volkome in pas met die basiese uitgangspunt by die statutêre immaterieelgoedereregte, naamlik dat dit die geestesarbeid van 'n persoon is wat beloon word, en dat dit die produk van daardie geestesarbeid is wat beskerm word.

In die derde plek, en voortspruitend uit die vorige beginsel, is die beginsel dat die beskerming wat 'n ondernemer teen prestasieaanklamping geniet, van beperkte duur behoort te wees.⁶² Weer eens is dié aspek in lyn met die statutêre immaterieelgoedereregte waar 'n bepaalde tydsduur ten opsigte van die reg in alle gevalle voorgeskryf word.⁶³ Hierdie beperking dui daarop dat die

61 Kyk *idem* 147 – 148.

62 Kyk *idem* 148 vn 68.

63 Al is dit soms van relatief lang duur, soos by outeursreg.

beskerming verleen word juis om die ondernemer in staat te stel om die vrugte op sy geestesarbeid te geniet sonder om ontwikkeling onnodig lank aan bande te lê. Het die ondernemer 'n genoegsame voordeel uit sy geestesarbeid verkry, het hy sy beloning gehad en kom sy reg tot 'n einde. In die praktyk sal die bepaling van die lengte van die tydskuur nie sonder probleme wees nie; die besondere omstandighede van elke geval, die aard van die bedryf, die vooruitgang in die bedryf wat deur die prestasie bewerkstellig word met verwysing na die vorige stand van die tegniek, en les bes, die voordeel wat die ondernemer reeds ontvang het, sal relevante faktore by so 'n bepaling wees.

Dit is dus duidelik dat prestasieaanklamping wat sy aard, omvang en aanwendingsmoontlikhede betref, inderdaad 'n werkbare hulpmiddel of alternatief daarstel om beskerming te verleen aan die produkte van die mens se geestesarbeid in gevalle waar statutêre voorsiening tekort skiet. Maar die beskerming sal *slegs geld in mededingingsverband*, dus waar daar 'n mededingingsituasie is. Waar die aantasting buite mededingingsverband geskied, is dit tans te betwyfel of prestasieaanklamping as sodanig 'n regsmiddel bied.⁶⁴ In die *Harchris*-saak is wel regshulp buite mededingingsverband verleen; maar daár was dit vertroulike inligting wat aangewend is, en aangesien vertroulike inligting reeds 'n mate van erkenning as 'n selfstandige onstofflike regsobjek geniet, kan die wanaanwending as die skending van 'n selfstandige immaterieelgoederereg beskou word.

Hierdie leemte kan eintlik slegs gevul word indien daar erkenning verleen sou word, hetsy statutêr, hetsy deur die positiewe reg op grond van regsontwikkeling, aan 'n selfstandige immaterieelgoederereg ten opsigte van alle produkte van die mens se geestesarbeid, sodat aantasting van so 'n regsgoed op sigself op die inbreuk op 'n subjektiewe reg sal neerkom. So 'n verwikkeling lyk tans egter nie baie waarskynlik nie. Daar is enkele groot probleme in die praktyk wat eers oorkom sal moet word. Die eerste is 'n afbakeningsprobleem: Bevredigende riglyne of kriteria sal neergelê moet word om te bepaal wanneer so 'n geestesprodukt as 'n beskermingswaardige regsgoed sal kwalifiseer. By sodanige kriteria sal faktore soos die selfstandigheid van die produk, die insette wat nodig was om die produk te skep, die vermoëns waarde daarvan en die mate waarin dit verskil van wat algemeen bekend is, 'n rol speel.

64 Dws in omstandighede soos in die *Harchris*- en *Lorimar*-saak.

Die ander probleem is 'n beleidsvraagstuk: Die erkenning van so 'n selfstandige reg sal slegs wenslik wees indien dit ontwikkeling (veral nywerheidsontwikkeling) en vooruitgang nie onnodig sal strem nie. En hier sal Suid-Afrika se posisie in internasionale konteks beslis oorweeg moet word.

Die vraag wat nou opduik, is of 'n statutêre reëling op hierdie besondere gebied nie voordele sou inhou nie. Onsekerhede oor die mate van vooruitgang wat in 'n prestasie beliggaam moet word ten einde beskerming te regverdig, die duur van die beskerming ensovoorts sou deur 'n statutêre reëling uitgeskakel kon word. By die formulering van wetgewing sou daar 'n afweging van tersake belange kon plaasvind — nie slegs die belange van die mededingers *inter partes* nie, maar ook die openbare belang en die ekonomiese en nywerheidsomstandighede van die land, sowel binnelands as internasionaal, sou in berekening gebring kon word. Stemme het alreeds in die buiteland opgegaan⁶⁵ wat die wenslikheid van 'n “unfair copying law” bepleit. Hier moet egter in gedagte gehou word dat Suid-Afrika, soos Amerika en anders as Engeland, juis 'n deeglik gefundeerde gemeenregtelike stelsel vir beskerming teen onregmatige mededinging het wat op doeltreffende wyse deur die houe toegepas word, en op grond waarvan 'n ondernemer regshulp kan kry in geëigende gevalle van onregmatige kopiëring van gepubliseerde sowel as ongepubliseerde bedryfsidees in mededingingsverband. Sodanige wetgewing sou dus slegs 'n sinvolle bydrae kon maak om kopiëring *buite mededingingsverband* te reël. Waar die afgelope twee jaar op die gebied van die immaterieelgoederereg juis gekenmerk is deur die debat rondom die vraag na gepaste beskerming ten opsigte van sogenaamde nywerheidsontwerpe van 'n funksionele aard,⁶⁶ verdien so 'n algemene “unfair copying”-wet miskien tóg oorweging as 'n moontlike oplossing.

'n Laaste aspek wat aandag verdien, raak die grondslag vir en bepaling van skade in die geval van prestasieaanklamping en in aanverwante gevalle van die kopiëring van 'n ondernemer se prestasie. Waar prestasieaanklamping in mededingingsverband voorkom, is die *grondslag* van die skadeberokkening dat die ondernemer se werfkrag aangetas word en dus sy vooruitsig om

65 Kyk Armitage “The changing face of intellectual property” 1987 *EIPR* 191 194 – 195.

66 Kyk bv Dean “The great copyright controversy” 1988 *De Rebus* 469; Rattray “A controversy which should never have arisen” 1988 *De Rebus* 867; Dunlop “Do people understand the implications of industrial copyright legislation?” 1988 *De Rebus* 349.

wins te maak, hoewel die *kwantifisering* van die skade in die praktyk soms sekerlik moeilik sal wees. Die vraag wat egter opduik, is of daar ook skade sal intree in gevalle van prestasieoorname wat buite die mededingingsituasie voorkom. Anders gestel, sal 'n ondernemer hom kan bekla waar sy besondere, buitengewone prestasie, wat hy met inisiatief, koste, moeite en inspanning tot stand gebring het, gekopieer word in omstandighede waar hy oor geen statutêre immaterieelgoedereregte beskik nie en sy werfkrag ook nie aangetas word nie (soos wat in die *Harchris-* en *Lorimar-*sake die geval was), as in gedagte gehou word dat daar nie van Aquiliese aanspreeklikheid sprake kan wees indien geen skade berokken is nie?

Waar 'n ondernemer 'n besondere prestasie deur die aanwending van sy eie inisiatief, koste, arbeid, inspanning en moeite geskep het, en ten opsigte waarvan hy beskerming geniet teen aantastings in mededingingsverband, word aan die hand gedoen dat daar geen grondige rede bestaan waarom hy nie ook geregtig behoort te wees op beskerming teen aantastings buite die mededingingsituasie nie: hy behoort eweneens geregtig te wees om die vrugte van sy onstoflike goed te pluk, en om andere te verhoed om dit sonder magtiging tot hulle voordeel te benut, selfs al vind daar nie noodwendig 'n aantasting van sy werfkrag plaas nie. Omdat daar in hierdie gevalle nie altyd 'n bestaande statutêre immaterieelgoederereg beskikbaar is nie (byvoorbeeld waar 'n sogenaamde nywerheidsontwerp van 'n funksionele aard betrokke is), sal die erkenning van 'n selfstandige algemene immaterieelgoederereg op die produk van die geestesarbeid, los van die werfkrag en buite die mededingingsverband, nodig wees om beskerming te verleen. In die afwesigheid van wetgewing, sal so 'n immaterieelgoederereg egter slegs na langsame ontwikkeling op grond van algemene beginsels deur die positiewe reg erken en ontwikkel moet word.

Indien aanvaar word dat verandering wenslik is om die posisie wat betref die beskerming van onstoflike geestesgoedere te verbeter, dan is die vraag na die geskikte metode om dit te verweselik nog onbeantwoord. Gepaste wetgewing sou moontlik 'n oplossing bied. Die beskerming van onstoflike goedere deur middel van wetgewing het natuurlik baie voordele: afbakening en beskerming kan vinnig ingevoer en gewysig word sodat tred gehou kan word met nuwe tegnologie; die omvang en afdwinging van sulke statutêre regte staan vas, en so ook die beskikbare regs middels in die geval van inbreuk; waar die bestaan van regte saamhang met 'n registrasiesstelsel lei dit tot regsekerheid; sodanige statutêre reëlings kan dikwels binne die bestek van 'n internasionale konvensie tuisgebring word met die gepaardgaande voor-

dele van resiprositeit ensovoorts. Die nadeel is egter 'n mate van onbuigsaamheid wat min ruimte laat vir uitbreiding en ontwikkeling deur regspraak. Gemeenregtelike beskerming, daarenteen, het ook sowel voordele as nadele: so 'n model is meer buigsaam, en daar is meer geleentheid vir ontwikkeling en uitbreiding deur interpretasie deur die howe; maar sodanige ontwikkeling vind vanselfsprekend langamer plaas, en voorts is die omvang van die regte en die kriteria om die bestaan van en inbreuk op sodanige regte te bepaal, aanvanklik soms onduidelik — faktore wat weer regsonsekerheid in die hand werk.

Besondere beleidsoorwegings en -beginsels sal natuurlik relevant wees: Aan die een kant is die uitgangspunt dat die produkte van geestesarbeid beskermingswaardig is, dat die skepper van 'n geestesprodukt beloon moet word, en dat innovasie en ontwikkeling aangemoedig moet word juis deur sodanige geestesprodukte te beskerm en te beloon. Aan die ander kant weer geld die oorweging dat dit in die openbare belang is dat nuwe idees bekend maak en inligting versprei moet word om uiteindelik tot almal se beskikking te wees, sodat dit tot voordeel van almal aangewend kan word en ontwikkeling in belang van almal kan plaasvind; en samehangend hiermee, dat nie alle kopiëring onregmatig of onwenslik is nie⁶⁷ daar vooruitgang juis op die kopiëring van nuwe idees gebaseer is.

Daar word dan ook gevind dat hierdie beleidsoorwegings en -beginsels deurgaans 'n rol speel by die beskouing van die ideale omvang van immaterieel-goedereregte en die regsmiddels wat beskikbaar behoort te wees in die geval van inbreuk.⁶⁸

67 Kyk by *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd* 1987 3 SA 1129 (T) 1140: "Not all imitation is unlawful. On the contrary, imitation may be said to be the essence of life."

68 Vgl Purvis "Opinion: Patents and genetic engineering — does a new problem need a new solution?" 1987 *EIPR* 347: "The conflict between the public policies of giving inventors sufficient rewards to encourage research, and of restricting monopolies so that competition is not frustrated, is of course at the heart of patent law. However, the way that conflict has been resolved is beginning to seem inappropriate to certain new industries." En verder (348): "The rules of patent law have never been more than a means to an end. They were drafted to try and achieve the best means of encouraging research and development." Ook Armitage "The changing face of intellectual property" 1987 *EIPR* 191 192 verklaar: "[I]t is in the general interest of a healthy, competitive industry that it can innovate with its eyes open, taking ideas where it can see them and making free use of known ideas or of variants of such ideas. There are two well-established excepti-

4 Raakpunte tussen die mededingingsreg en die immaterieelgoederereg

Vanselfsprekend bestaan daar ook 'n ander samehang tussen die statutêre en gemeenregtelike immaterieelgoedereregte wat blyk wanneer die relatiewe verhouding van die twee tipes regte teenoor mekaar bepaal en hulle onderskeie terreine afgebaken word, hetsy as deel van die regsistematiek, hetsy van owerheidsweë as deel van sy funksie om mededinging te reël. 'n Bespreking van die onderhawige onderwerp sal nie volledig wees nie tensy daar ten slotte kortliks na hierdie samehang gekyk word.

Wanneer dit kom by die regulering van die onderlinge regte en verpligtinge van regssubjekte op die gebied van sowel die statutêre immaterieelgoederereg as die mededingingsreg, is die wedersydse beïnvloeding van en relevansie van dié twee gebiede van meet af aan duidelik. So maak die *Convention of Paris for the Protection of Industrial Property* (die sogenaamde Paryse Konvensie wat in 1883 te Parys gesluit is en waarvan Suid-Afrika in 1947 'n lid geword het) spesifiek daarvoor voorsiening⁶⁹ dat ledelande verplig sal wees om aan persone wat op die voordele van die konvensie geregtig is (dit wil sê burgers van die ander ledelande) doeltreffende beskerming teen onregverdige mededinging te verseker. Ledelande onderneem⁷⁰ dan ook om al die nodige stappe te doen om die bepalings en doelstellings van die konvensie te implementeer, en twee van die doelstellings is spesifiek⁷¹ die erkenning en beskerming van regte ten aansien van sogenaamde industriële eiendom (“industrial property”) en die onderdrukking van onregverdige mededinging.

Die tradisionele wyse waarop hierdie twee soms uiteenlopende doelstellings

ons to this state of freedom . . . [n] patente en outeursreg].” Sien ook *Report of the Committee to Examine the Patent System and Patent Law* (sg *Banks Report*) 1970 (Cmnd 4407) 10 ev; Gerntholtz *South African Patent Law* (1971) 4 – 6.

69 In a 10bis (1) en (2) wat soos volg lui: “(1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition. (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition.” Die konvensie bevat ook verdere bepalings ivm die reëling van die mededingingsituasie in subartikel (3).

70 In a 17.

71 Ingevolge a 1(2) wat soos volg lui: “The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, indications of source or appellations of origin, and the repression of unfair competition.”

met mekaar versoen word,⁷² is deur as uitgangspunt te aanvaar dat daardie monopolie- of uitsluitingsregte wat deur besondere statute beskerm word (soos patente, geregistreerde modelle, outeursreg ensovoorts), uitsonderings daarstel op die algemene beginsel dat alle persone geregtig is om vryelik hul besigheid te bedryf in vrye en ope mededinging met andere.⁷³

Hierdie uitgangspunt, dat die eksklusiewe regte wat statutêr geskep is en deur besondere statutêre middels beskerm word, op 'n besondere wyse in die konteks van die mededingingsbeleid gehanteer moet word, spreek duidelik uit die bepalings van die Wet op die Handhawing en Bevordering van Mededinging 96 van 1979. Hierdie wet het onder andere betrekking op beperkende praktyke en monopoliesituasies (dit wil sê omstandighede of situasies wat by uitstek deur die uitoefening van die statutêre immaterieelgoederegte sou kon intree). Hoewel die wet sodanige praktyke en situasies nie sonder meer verbied as synde in stryd met die beginsel van vrye en regverdige mededinging nie, maak die wet daarvoor voorsiening dat sodanige praktyke en situasies by wyse van kennisgewing in die *Staatskoerant* deur die Minister van Handel en Nywerheid verbied of aan bande gelê kan word op aanbeveling van die Raad op Mededinging (na 'n ondersoek deur die Raad) dat so 'n optrede in die openbare belang sal wees.

Artikel 2(1)(a) bepaal egter uitdruklik dat, behoudens die bepalings van artikel 2(2), die wet nie só uitgelê sal word dat dit enige beperking plaas op die regte verleen deur die Wet op Handelsmerke, die Wet op Modelle, die Wet op Patente, die Wet op Planttelersregte en die Wet op Outeursreg nie. Met ander woorde, die uitoefening in die mededingingskonteks van die uitsluitende regte wat spruit uit hierdie wette sal op grond van mededingingsbeleid nie verminder of ingeperk word nie, behalwe soos wat in artikel 2(2) in die vooruitsig gestel word. Artikel 2(2) op sy beurt bepaal dat artikel 2(1)(a) nie só uitgelê mag word dat enige persoon 'n reg sal verkry of sal behou om die prys van, of enige ander teenprestasie vir, enige handelsartikel te verhoog of te handhaaf op die wyse soos beoog in die definisie van 'n "beperkende

72 Soos ook blyk uit sekere bepalings van die Wet op die Handhawing en Bevordering van Mededinging 96 van 1979, waarop hieronder in meer besonderhede ingegaan word.

73 Vgl Armitage *supra* vn 68.

praktyk”⁷⁴ in artikel 1 nie. Met ander woorde, die verskansing wat verleen word aan die eksklusiewe regte wat spruit uit die genoemde wette gaan nie só ver dat die reghebbende toegelaat word om prysverhoging of pryshandhawing teweeg te bring nie. Die verwysing na prysverhoging en pryshandhawing moet egter steeds in die konteks van die definisie van “beperkende praktyk” verstaan word, naamlik dat sodanige prysverhoging of pryshandhawing die gevolg moet wees van ’n ooreenkoms, verstandhouding, handelsmetode, handeling ensovoorts wat mededinging regstreeks of onregstreeks beperk.

Die praktiese implikasies van hierdie bepaling⁷⁵ is dat dit vir ’n patenthouer of ’n ander reghebbende ingevolge een van genoemde wette nie toelaatbaar sal wees om ’n klousule in ’n lisensie-ooreenkoms in te voeg wat die uitwerking sal hê dat die prys van die gepatenteerde of andersins beskermd artikel verhoog of gehandhaaf sal word nie. Die afleiding kan voorts gemaak word, op grond van die *expressio unius est exclusio alterius*-reël, dat ’n patenthouer of ander reghebbende wel toegelaat word om so op te tree dat enige

74 “Beperkende praktyk” word in a 1 soos volg omskryf:

- “(a) enige ooreenkoms, reëling of verstandhouding, hetsy regtens afdwingbaar of nie, tussen twee of meer persone; of
- (b) enige besigheidspraktyk of handelsmetode, met inbegrip van enige metode om pryse vas te stel, hetsy deur die verskaffer van enige handelsartikel of andersins; of
- (c) enige handeling of versuim deur enigiemand, hetsy hy onafhanklik of tesame met iemand anders optree; of
- (d) enige toestand wat uit die bedrywighede van enige persoon of klas of groep persone ontstaan, wat, deurdat dit mededinging regstreeks of onregstreeks beperk, die uitwerking het of waarskynlik sal hê om —
 - (i) die produksie of distribusie van enige handelsartikel te beperk; of
 - (ii) die fasiliteite beskikbaar vir die produksie of distribusie van enige handelsartikel in te kort; of
 - (iii) die prys van of enige ander teenprestasie vir enige handelsartikel te verhoog of te handhaaf; of
 - (iv) die produksie of distribusie van enige handelsartikel op die mees doeltreffende en ekonomiese manier te verhoed; of
 - (v) die ontwikkeling of invoering van tegniese verbeterings of die uitbreiding van bestaande of die skepping van nuwe markte te verhoed of te vertraag; of
 - (vi) die toetreding van nuwe produsente of distribueerders tot enige tak van die handel of nywerheid te verhoed of te beperk; of
 - (vii) die aanpassing van enige beroep of tak van die handel of nywerheid by veranderde toestande te verhoed of te vertraag.”

75 Soos waargeneem deur Brooks 1987 *MB* 31.

van die ander gevolge⁷⁶ in verband met die beskermde produk mag intree. 'n Nadere beskouing van hierdie gevolge toon 'n besondere samehang met die bepalings van die Patentwet en die Wet op Modelle: Dit sou naamlik strook met die bepalings van artikel 45 van die Patentwet⁷⁷ en artikel 15 van die Wet op Modelle⁷⁸ dat die patenthouer toegelaat word om die gevolge beoog in paragrawe (i), (ii) en (vi) van die omskrywing van “beperkende praktyk” teweeg te bring met betrekking tot die gepatenteerde uitvinding of geregistreerde model sonder om onregmatig in mededingingsverband op te tree. Wat die gevolg uiteengesit in paragraaf (iv) betref, sou sodanige optrede deur die patenthouer of die eienaar van die geregistreerde model hom in sekere omstandighede⁷⁹ blootstel aan 'n aansoek om 'n verpligte lisensie deur 'n voornemende mededinger. Wat die gevolge (v) en (vii) betref, is die aard en omvang van die uitsluitende reg deur 'n patent⁸⁰ en 'n geregistreerde model⁸¹ verleen nie van so 'n aard dat daardie gevolge normaalweg binne die bestek van die uitoefening van die reg sou val nie.

Wat die intrede van 'n monopoliesituasie⁸² betref, kan die afleiding uit die uitdruklike bepaling in artikel 2(1)(a) gemaak word (naamlik dat die bepa-

76 Dws gevolge (i), (ii) en (iv) – (vii) in die omskrywing van “beperkende praktyk” *supra* vn 74.

77 A 45(1) bepaal soos volg: “Die uitwerking van 'n patent is om, behoudens die bepalings van hierdie Wet, aan die patenthouer vir die duur van die patent in die Republiek die reg te verleen om ander persone uit te sluit van die vervaardiging, aanwending, uitoefening of van die handsetting van die uitvinding, sodat hy al die wins en voordeel wat uit die uitvinding ontstaan, verkry en geniet.”

78 A 15(1) van die Wet op Modelle bepaal soos volg: “Die persoon geregistreer as die eienaar van 'n model het, behoudens die bepalings van hierdie Wet en enige regte wat volgens die register by iemand anders berus, die alleenreg om enige artikel wat val binne die klas waarin die model geregistreer is en ten opsigte waarvan die geregistreerde model toegepas is of 'n model toegepas is wat nie wesentlik van die geregistreerde model verskil nie, in die Republiek te maak, te gebruik of te verkoop.”

79 Naamlik daardie omstandighede wat sou neerkom op die misbruik van patentreg soos beoog in a 56(2) van die Wet op Patente, en daardie omstandighede beoog in a 8(1) van die Wet op Modelle.

80 Vgl die bepalings van a 45(1) *supra* vn 77.

81 Vgl die bepalings van a 15(1) *supra* vn 78.

82 'n Monopoliesituasie word in a 1 van die Wet op die Handhawing en Bevordering van Mededinging omskryf as “'n situasie waar enige persoon, of twee of meer persone met 'n wesenlike ekonomiese verbintenis, geheel en al of grootliks die tipe besigheid waarin hy of hulle met betrekking tot enige handelsartikel betrokke is, in die Republiek of enige deel daarvan beheer”.

lings van daardie wet nie die regte verkry uit die genoemde wette oor immateriële goed inperk nie) — welke bepaling nie deur artikel 2(2) ten opsigte van 'n monopoliesituasie gekwalifiseer word nie — dat 'n monopoliesituasie wat die gevolg is van die uitoefening van die eksklusiewe regte wat uit daardie wette spruit, nie binne die bestek van die Mededingingswet val nie.⁸³ Daar is dus 'n duidelike aanvaarding deur die wetgewer dat die statutêre verleende immaterieelgoedereregte (wat almal van 'n eksklusiewe of uitsluitende aard is, en dus in 'n meerdere of mindere mate monopolisties van aard is), erken- de en aanvaarde uitsonderings op die algemene beginsel van vrye en gelyke mededinging is.

Nietemin, hoe belangwekkend die raakvlak tussen die statutêre immaterieel- goedereregte en die reëling van mededinging van owerheidsweë ook al mag wees,⁸⁴ is dit nie die onderwerp waaroor dit in eerste instansie hier gaan nie.

5 Vergelykbare ontwikkelings in ander lande

Suid-Afrika is beslis nie enig in sy bewuswording van die ontoereikendheid van die beskerming wat deur die huidige stand van sy reg aan onstoflike geestesprodukte van die mens se geestesarbeid verleen word nie, of in sy soeke na 'n beter en meer gepaste stelsel nie. Op verskeie gebiede van die tegnologie word uitsprake soos die volgende telkens in ander lande teengekom:

Op die gebied van die patentreg Na aanleiding van 'n onlangse Britse uitspraak oor 'n mikrobiologiese produk van genetiese manipulasie⁸⁵ verklaar 'n Britse patentregseleerde soos volg:⁸⁶

“In this way, one of the most important modern industries and areas of research is threatened by the inability of our patent law to grant any meaningful protection to valuable research. If Whitford J.'s judgment is upheld, then serious thought will need to be given as to how the law should be changed . . . The rules of patent law have never been more than a means to an end. They were drafted to try and achieve the best means of encouraging research and development. In

83 Kyk Brooks 1987 *MB* 31.

84 Vgl *idem* 22–23.

85 *Genentech Inc v The Wellcome Foundation Ltd.* Kyk hieroor Thurston en Burnett-Hall 1988 *EIPR* 59, en Thurston 1989 *EIPR* 66.

86 Purvis 1987 *EIPR* 348.

this instance they have failed. The question therefore arises: if the law of patent fails to encourage the making of advances which 'may be of the greatest public benefit', what steps should be taken to give that encouragement?"

Op die gebied van die outeursreg Met verwysing na die riglyne van die Amerikaanse Online Computer Library Center met betrekking tot die toegang, gebruik en oordrag van inligting uit die rekords van daardie organisasie, maak die direkteur van die Cleveland Public Library die volgende stelling:⁸⁷

"Copyright legislation is based on the assumption that an author is more likely to continue to produce intellectual products if they can be assured that another individual cannot claim either credit or profit from their efforts . . .

Some critics contend that technological change has outpaced the ability of copyright to regulate intellectual products . . . They even contend that technology has rendered copyright obsolete."

In 'n pleidooi dat op internasionale vlak in die algemeen, en op die gebied van Britse wetgewing oor die immaterieelgoederereg in die besonder, spesifieke en spoedige aandag gegee behoort te word aan 'n herwaardering van die basiese filosofie grondliggend aan die beskerming van intellektuele en industriële eiendom, en aan wyses om hierdie eiendom op 'n uniforme en doeltreffende wyse te beskerm, word die volgende stelling deur Armitage,⁸⁸ 'n voormalige Comptroller General van Patente, Modelle en Handelsmerke in Brittanje gemaak:

"The ordered structure of intellectual property is coming under increasing strain from developments in technology which call for substantial investment of effort and money, particularly in high technology."

Die outeur verwys na die Britse White Paper van 1986⁸⁹ waar die beginsel ten opsigte van die beskerming van industriële ontwerpe soos volg gestel word:

"Some protection should be available to give the manufacturer who has spent money on design the opportunity to benefit from his investment, thus providing an incentive to further investment."

87 Mason "Copyright in context: The OCLC database" Julie 1988 *Library Journal* 31 32.

88 1987 *EIPR* 196.

89 *Government White Paper on Intellectual Property and Innovation* April 1986 (Cmnd 9712).

Die invoer (statutêr, indien nodig) van die beginsels van onregmatige mededingsreg word dan deur Armitage⁹⁰ as 'n moontlike oplossing gemeld:

“If that amounts to taking a first timid step towards unfair competition law, why not? Is it so sure that this country can manage without a branch of law which is considered important in the United States, in Japan and in the European Civil Law countries . . . ? [A]t a seminar of invited distinguished experts, organised by the Common Law Institute of Intellectual Property, there was considerable support for the idea of an unfair copying law and the further idea that a possible yardstick for a design to qualify under such a law would be the level of finance involved in its development.”

Wat opval van so 'n uitspraak, in die konteks van die huidige onderwerp, is die feit dat die regsfiguur van onregmatige mededinging blykbaar as 'n hulpmiddel gesien word om verligting te verleen in die gevalle waar die statutêre immaterieelgoederereg tekort skiet.

Dit is te hope dat 'n deurlopende kritiese beskouing, sowel in Suid-Afrika as in die buiteland, van die samehang tussen die statutêre beskerming van die produkte van die mens se geestesarbeid, en die beskerming wat dié produkte op grond van gemeenregtelike beginsels — en dan spesifiek ook die beginsels van onregmatige mededinging — geniet of behoort te geniet, tesame met 'n bewusheid van die nuwe behoeftes wat voortdurend geskep word as gevolg van tegnologiese en ander ontwikkeling, wel mettertyd die gevolg sal hê dat 'n bevredigende oplossing vir hierdie uiters belangrike gebied van die reg gevind sal word.

90 1987 *EIPR* 194 – 195.

8

Comparative advertising as unlawful competition

OH DEAN*

Comparative advertising, in general terms, is a practice whereby a trader in extolling the virtues of his wares in advertising draws comparisons between his goods and the goods of another, which goods are usually well-known and held in high regard by the consumer, with a view to stimulating the demand for his own goods in preference to those goods with which the comparison is made. In essence, one who resorts to comparative advertising is attempting to “ride on the back” of a well-known and successful product and to use the repute of that product as a platform from which to generate sales of his own product.

Comparative advertising can take a number of forms. Some examples are: The making of a direct comparison such as in the phrase “just one ADVIL is as effective as two regular strength TYLENOL”, or “similar to ALLIGATOR” or “ALLIGATOR type”;¹ the use of a comparative price list giving the price of one product in juxtaposition to the price of another product;² stating that one product is a substitute for another such as in the phrase “all KLEP diaphragm valve parts are interchangeable with SAUNDERS diaphragm valves”;³ suggesting that a product has the attributes of another product as in “every part shall be inspected and approved by engineers with

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1 See *Stone v Steelace* (1929) 46 RPC 192 406.

2 See *Montana Wines v Villa Maria Wines* (1985) RPC 412.

3 See *Klep Valves (Pty) Ltd v Saunders Valve Co Ltd* 1987 2 SA 1 (A).

many years experience in the manufacture of NORTHROP parts'';⁴ and disparaging a competitor's product as in the phrase "Product A has fewer side effects than product B".

Comparative advertising when utilized in a competitive context (as it almost invariably is) can, it is submitted, in certain circumstances be unlawful on two grounds, namely by infringement of a registered trade mark and by unlawful competition in the sense of the common-law delict. Each of these grounds will be discussed separately.

Trade mark infringement

Section 44(1) of the Trade Marks Act 62 of 1963, as amended, reads as follows:

"(1) Subject to the provisions of sub-sections (2) and (3) of this section and of sections forty-five and forty-six, the rights acquired by registration of a trade mark shall be infringed by —

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

Provided that in the case of a trade mark registered in Part B of the register, no interdict or other relief shall, for purposes of paragraph (a) of this sub-section, be granted if the defendant establishes to the satisfaction of the court that the use of which the proprietor of the registered trade mark complains is not likely to be taken as indicating a connection in the course of trade between the goods or services and some person having the right either as proprietor or as registered user to use the trade mark" (emphasis added).

Section 44(1)(a) deals with infringement of a registered trade mark by using it or a confusingly similar trade mark *as a trade mark*. This means using the contentious mark in order to denote the origin or trade source of the goods, which are the subject of the infringement claim, in the registered

⁴ See *British Northrop v Texteam* (1974) RPC 57.

proprietor.⁵ This is the traditional form of trade mark infringement and, having regard to the historical development of British trade mark law on which South African trade mark law is largely based, it amounts in essence to a statutory adaptation of the common-law remedy of passing off.⁶

Section 44(1)(b) deals with trade mark infringement through use of a mark “*otherwise than as a trade mark*”, in other words not for the purpose of denoting that the goods in relation to which the contentious use takes place originate from the registered trade mark proprietor, but for some other purpose. Such other purpose includes making a comparison with the goods of the user of the contentious mark. Before going on to analyze the circumstances in which the use of a mark otherwise than as a trade mark can constitute infringement of a registered trade mark, it is instructive to examine the history and background of section 44(1)(b) as it sheds useful light on the interpretation of the section and in particular on its applicability to comparative advertising.

In the British case *Irving’s Yeast-Vite Ltd v FA Horsenail (t/a The Herbal Dispensary)*⁷ the claim by the registered proprietor of the trade mark YEAST VITE that the use of its trade mark in the context of the claim “yeast tablets a substitute for YEAST VITE” constituted infringement of that registered trade mark was disallowed. At that time the British Trade Marks Act only protected a registered trade mark against use of a mark *as a trade mark*. The court held that in order to constitute infringement the use of the contentious mark by the alleged infringer must be for the purpose of indicating the origin of the goods as being in him. It was subsequently considered that the inability of a registered trade mark proprietor to prevent the type of use of his trade mark with which the *Yeast Vite* (trade mark) case was concerned, was a shortcoming in British trade mark law.

The British Trade Marks Act of 1938 designedly counter-acted this deficiency and broadened the scope of a registered trade mark proprietor’s exclusive

5 See *Berman Brothers (Pty) Ltd v Sodastream Ltd* 1986 3 SA 209 (A); *Protective Mining and Industrial Equipment Systems (Pty) Ltd (formerly Hampo Systems (Pty) Ltd) v Audiolens (Cape) (Pty) Ltd* 1987 2 SA 961 (A); *Miele et Cie GmbH & Co v Euro Electrical (Pty) Ltd* 1988 2 SA 583 (A); Webster and Page *South African Law of Trade Marks* 3rd ed 71.

6 *Protective Mining and Industrial Equipment Systems v Audiolens supra* 978 *et seq.*
7 (1934) 51 RPC 110.

right.⁸ In this act, in addition to the traditional form of trade mark infringement, provision was made for a registered trade mark to be infringed by the use of it or a confusingly similar mark in such manner as to render the use of the mark upon goods or in physical relation thereto, or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right, either as a proprietor or a registered user, to use the mark, or to goods with which such a person is connected in the course of trade.⁹

In *Bismag v Amblins*¹⁰ the British Court of Appeal held that the registered trade mark BISURATED was infringed by the defendant publishing a pamphlet setting out in one column a list of the products sold by it, including BISUMATED magnesia tablets, and then in an adjacent column setting out a list of products sold by the plaintiff, including BISURATED magnesia tablets, which listing appeared directly opposite the listing of the defendant's BISUMATED product. It was held that this form of use of the plaintiff's trade mark BISURATED imported a reference to the plaintiff's goods.

In the Trade Marks Act of 1963 the South African legislature sought also to overcome the shortcoming of the earlier law highlighted by the *Yeast Vite* case but did not adopt quite the same approach and wording as the British legislature had in the 1938 British act. Instead, the South African legislature enacted section 44(1)(b) of the act.¹¹ The Chowles Committee, which had prepared a report prior to the enacting of the 1963 Trade Marks Act, made specific reference in paragraphs 45 and 46 of their report to the fact that it was necessary to overcome the basis of the decision in the *Yeast Vite* case and that this is what was intended with the introduction of the principle embodied in section 44(1)(b) of the 1963 act.

In its original form as enacted in 1963, section 44(1)(b) dealt with unauthorized use in the course of trade, “*whether as a trade mark or not*” of the identical mark or a confusingly similar mark. It was decided in *Shalom Investments (Pty) Ltd v Dan River Mills Inc*¹² that the unlawful use of a mark

8 See *Protective Mining and Industrial Equipment Systems v Audiolens supra* 982.

9 Section 4(1) of the British Trade Marks Act of 1938.

10 (1940) 57 RPC 209.

11 *Protective Mining and Industrial Equipment Systems v Audiolens supra* 986; Webster and Page *op cit* 258.

12 1971 1 SA 689 (A).

as a trade mark could fall under either section 44(1)(a) or (b). This was obviously considered to be undesirable and after the decision in the *Dan River* case and presumably as a result thereof section 44(1)(b) was amended by Act 46 of 1971 to make it clear that sub-section (a) applied to the use of a trade mark *as a trade mark* and sub-section (b) only applied to the use *otherwise than as a trade mark*.¹³

In *Miele et Cie GmbH & Co v Euro Electrical (Pty) Ltd*¹⁴ Corbett JA (as he then was) set out as follows what a proprietor who claims infringement of his trade mark in terms of section 44(1)(b) must establish: (a) There has been use of the trade mark by the alleged infringer; (b) such use was unauthorized; (c) such use was in the course of trade; (d) such use was otherwise than as a trade mark; (e) such use was in relation to or in connection with goods or services for which the trade mark is registered; and (f) such use is likely to cause injury or prejudice to the proprietor of the trade mark.

In the light of the foregoing, comparative advertising can only constitute infringement of a registered trade mark if the advertiser actually uses the registered trade mark without the authority of the registered proprietor in relation to goods for which such trade mark is registered. In the classic case of comparative advertising these requirements are invariably met. Comparative advertising also invariably takes place in the course of trade. The only requirements which necessitate any further examination or comment are (d) and (f).

In the *Miele* case, after stating that use of a mark as a trade mark means use for the purposes of indicating a connection in the course of trade between the goods and the proprietor of the mark and of distinguishing those goods from the same kind of goods of others, Corbett JA said:

“Use of a mark ‘otherwise than as a trade mark’ refers to use where these purposes are not present, but where the mark is used for other purposes such as, for example, in order to compare the user’s goods or services with those of the proprietor of the mark or to indicate that the goods or services may be utilized in substitution for those of the proprietor of the mark.”¹⁵

13 *Protective Mining and Industrial Equipment Systems v Audiolens supra* 986.

14 *Supra*.

15 598H – I.

In making the latter point the learned judge relied upon the *Klep Valves* case in which the court held that use by Klep Valves of the registered trade mark SAUNDERS in the context of the phrase “*all KLEP diaphragm parts . . . are interchangeable with SAUNDERS diaphragm valves*” infringed that registered trade mark. Clearly our courts have interpreted section 44(1)(b) of the Trade Marks Act as covering exactly the form of use of a registered trade mark commonly used by competitors in conducting comparative advertising.

The final requirement which must be met before comparative advertising can constitute trade mark infringement, is that the contentious use of the registered trade mark must cause the proprietor of that trade mark injury or prejudice. In the *Miele* case Corbett JA held that injury as contemplated in the section refers to

“the delictual concept of *damnum*, that is patrimonial or pecuniary loss suffered by a person, whereas prejudice is a wider concept which would include an impairment of a person’s rights and interests not necessarily resulting in patrimonial or pecuniary loss”.¹⁶

In the *Miele* case it was held that because the appellant was not in a position to control how the respondent conducted its business under the trade mark MIELE, the registered trade mark of the appellant, use of this mark by the respondent could cause the appellant prejudice. Webster and Page¹⁷ advance the contention that amongst the circumstances which could give rise to the type of injury or prejudice contemplated by the sub-section are the use of the plaintiff’s trade mark in order to identify the plaintiff’s goods in making a comparison with the defendant’s goods — it is said by the learned authors that this would only be done where the defendant seeks to gain some benefit from the comparison which would occur when the plaintiff’s trade mark is well-known and that the injury or prejudice would lie in the possible loss of custom or diminution of sales; and where the defendant uses the plaintiff’s trade mark for the purposes of disparaging the plaintiff’s goods.

In general, it is felt that most forms of comparative advertising cause injury or prejudice to the producer of the goods being compared.

¹⁶ 600H.

¹⁷ *Op cit* 260.

To sum up, it is submitted that all the forms of comparative advertising to which reference was made at the commencement of this paper can in principle constitute trade mark infringement where another's registered trade mark is used for the purposes of making the comparison.

Common-law unlawful competition

Stated briefly, the common-law remedy of unlawful competition is Aquilian in nature and requires the plaintiff to show that the defendant's wrongful and culpable conduct caused him patrimonial loss. Before conduct can constitute unlawful competition it must satisfy this general requirement for Aquilian liability, namely (a) a wrongful act or omission; (b) fault which may consist either of negligence or intention; (c) causation which must not be too remote; and (d) patrimonial loss.¹⁸

Comparative advertising which is likely to attract custom away from the competitor's product and is intended to have this effect can, if the conduct of the defendant can be categorized as wrongful, constitute unlawful competition. The crucial question is whether utilizing the common forms of comparative advertising can be said to be wrongful.

There can be little doubt that unjustified or untrue disparagement of another person's goods, which can happen in the context of comparative advertising, would amount to a wrongful act and conduct of this nature would constitute unlawful competition. At an early stage in the development of the delict of unlawful competition it was said in *Dun and Bradstreet (Pty) Ltd v SA Merchants' Combined Credit Bureau (Cape) (Pty) Ltd*¹⁹ that the publication by a rival trader of an injurious falsehoods concerning its competitor's business is a recognized form of unlawful conduct and thus unlawful competition. The more difficult question is, however, whether comparative advertising in its more general form must be viewed in the same light. The criterion for judging the wrongfulness of unfair or dishonest behaviour in the context of unlawful competition was stated in *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd*²⁰ as being the *boni mores* and the

18 Boberg *The Law of Delict* (1984) 18 24.

19 1968 1 SA 209 (C).

20 1981 2 SA 173 (T).

general sense of justice of the community. This formulation was adopted in subsequent cases and finally approved by the Appellate Division in *Schultz v Butt*.²¹ The court in the *Schultz* case, however, said that the sense of justice must be interpreted as being that of the community's legal policy makers such as the legislature and the court. In the *Atlas Organic* case and subsequently in *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd*²² it had been emphasized that the business ethics of that section of the community where the norm is to be applied, are of major importance in determining the *boni mores*.

The question of whether comparative advertising in any given situation constitutes wrongful conduct and thus unlawful competition turns on what the *boni mores* are in that situation. The *boni mores* are in turn determined by the standards of fairness and honesty in the field of marketing and advertising the goods in question and as interpreted by the legislature and the court.

The Advertising Standards Authority of South Africa (ASA) is an independent body set up and paid for by the advertising industry to ensure that its system of self-regulation works in the public interest.²³ The ASA has produced a code of advertising practice the main purpose of which is two-fold and is described as follows:

“For those in advertising it lays down criteria for professional conduct. And for the public it gives a clear indication of the self-imposed limitations accepted by those using or working in advertising. Its rules form the basis of arbitration where there is a conflict of interest within the business, or between advertisers and the general public.”²⁴

The Code of Advertising Practice has in addition been adopted by the SA Media Council and the Newspaper Press Union as their Codes of Conduct. It is submitted that the ASA Code is a codification of the business ethics of the section of the community engaged in marketing and advertising consumer goods.

The following are the texts of certain of the clauses of the ASA Code:

21 1986 3 SA 667 (A).

22 1981 3 SA 1129 (T).

23 Preface to the Code of Advertising Practice published by the ASA.

24 1 of the ASA Code.

- “6.1 Advertisements should not attack or discredit other products, advertisers or advertisements directly or by implication.
- 6.2 Advertisers shall not disparage the products and/or services of other advertisers either directly or by innuendo. In particular, advertisements should not single out a specific product or service for unfavourable comparison.
- 6.3 Substantiated competitive claims inviting comparison with a group of products or with other products in the same field, shall not necessarily be regarded as disparaging.
- 7.2 Advertisements should not take advantage of the goodwill attached to the trade name or symbol of another firm or its product or the goodwill acquired by its advertising campaign, locally or foreign, unless this is done with the permission of the other firm.”²⁵

It is submitted that the above-quoted portions of the ASA Code largely, if not entirely, preclude comparative advertising in its general forms. In particular, most comparative advertising is, as stated above, aimed directly at what clause 7.2 of the ASA Code seeks to prevent.

As discussed above, the Trade Marks Act precludes comparative advertising where use is made of a registered trade mark in such advertising. Our court in the *Klep Valves* case has held that a form of comparative advertising has constituted trade mark infringement and is thus unlawful. As a question of policy and principle there is no reason why comparative advertising which does not utilize a registered trade mark (but may for instance utilize a brand name which is not registered) should be viewed differently to comparative advertising which denotes the competitors goods by reference to a registered trade mark. In this regard the criticism of the fact that the British Trade Marks Act renders comparative advertising a form of trade mark infringement, voiced by Phillips²⁶ is apposite. The learned author says:

“It seems absurd that, in a market in which A’s (registered) ZING razor blades compete with B’s (unregisterable) SMOOTH-SAVE blades, A should be able to advertise to the public that ZING blades are better, safer or cheaper than SMOOTH-SHAVE blades, while B cannot claim that SMOOTH-SHAVE blades are better, safer or cheaper than ZING blades.”

The views of the learned author are to be supported, however, not as a criti-

²⁵ 5 of the ASA Code.

²⁶ *Introduction to the Intellectual Property* 239.

cism of comparative advertising being capable of being trade mark infringement, but rather as an argument in favour of comparative advertising not referring to a registered trade mark also being unlawful.

It is submitted that both the ethical standards of the advertising and marketing community and the interpretation of the *boni mores* in the field of marketing of consumer goods by the legislature and the court have determined that the general forms of comparative advertising constitute misconduct on the part of an advertiser. That being so, in general comparative advertising is *contra bonos mores* and provided the above-mentioned conditions for constituting the delict are met, constitutes unlawful competition under the common law.

Van Heerden and Neethling²⁷ express the view that comparative advertising embracing true statements which are derogatory of the competitor's product *prima facie* can constitute unlawful competition unless the advertiser can advance an appropriate justification for his conduct. The authors are of the view that most comparative advertising is derogatory of the competitor's product and that appropriate justification will be shown only in exceptional circumstances. They arrive at this conclusion *via* a different route to that which I have followed, but I submit that their view are compatible with those which I have advanced above.

The authors refer to the case of *Post Newspapers Ltd v World Printing and Publishing Company*²⁸ in which it was said by Nicholas J (as he then was) that "to the extent that the statements complained of involve merely a comparison of THE WORLD and POST, they are not actionable". The learned authors disagree with this view. This case was not really concerned with comparative advertising *per se* but rather with the contention that an advertiser who expresses opinions in advertising material which he does not honestly hold in making a comparison with a competitor's product perpetrates unlawful competition. It is submitted that as this case precedes the *Atlas Organic* case and the development of the *boni mores* as an objective measure of wrongfulness of competition, it has been overtaken by subsequent events and decisions, and it therefore does not detract from the views which I have advanced in regard to the current law of unlawful competition.

27 *Die Reg aangaande Onregmatige Mededinging* (1983) 185 – 189.
28 1970 1 SA 454 (W).

Conclusion

In conclusion, generally speaking, comparative advertising, whether utilizing a registered trade mark or some other means in order to identify the product of another, is an unfair trading practice and is in South Africa contrary to established norms of lawful competition.

9

Unfair competition and the Maintenance and Promotion of Competition Act 1979

PIERRE EJ BROOKS*

Diverse usage of the term “unfair competition”

Although unfairness *per se* was rejected as a criterion for unlawfulness in *Atlantic Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd*,¹ there is no doubting the close interrelationship between “unfair competition” and “unlawful competition” in the private law sphere.² On the other hand, “unfair competition” is a concept that does not feature at all in the Maintenance and Promotion of Competition Act 96 of 1979. In the circumstances an explanation as to why it appears in the title of my paper is called for.

The Competition Board which was established in terms of section 3 of the act is essentially an investigatory and advisory statutory body principally concerned with restrictive practices, acquisitions and monopoly situations. Apart from the functions entrusted to them by statute, the government has assigned to the board certain tasks in the deregulation process and empowered them

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The views expressed in this contribution are my own and not those of the board.

1 1981 2 SA 173 (T) 178D.

2 *Schultz v Butt* 1986 3 SA 667 (A) 681D; *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd (I)* 1988 2 SA 350 (W) 358.

to entertain complaints by individuals and firms of perceived “unfair competition” by the state or parastatal undertakings.

The nature and extent of the board’s brief and, of course, their name, together with the fact that “unfair competition” is a very handy phrase with an all-embracing ring about it, has resulted in all manner of complaints being channelled to the board under that label. Let me provide you with a few examples.

In the view of one irate businessman it was “unfair competition” for a competitor to start the same type of business as his own in close proximity to that business. Needless to say this was a case the board could dispose of with alacrity.

More serious are the charges by some firms that they have to contend with “unfair competition” by competitors who have been given an appreciable competitive advantage in the form of a government subsidy, decentralisation benefits or tariff protection. In similar vein a recent complainant pointed to the fact that a company incorporated in one of the TBVC states was competing unfairly with South African concerns because of the substantial tax and other advantages it enjoyed in that state. Whatever the merits of this type of claim may be, they primarily relate to policies falling outside the scope of the board’s investigative powers.

Sometimes it is not a specific business but rather a particular category of entrepreneur or type of business enterprise that is accused of “unfair competition”. In this regard one may refer to the burgeoning informal sector which is often criticised for allegedly competing unfairly and to co-operative societies which are sometimes viewed with serious misgivings by persons who are obliged to compete with them through the vehicle of the private company. Here, too, I am afraid, the Maintenance and Promotion of Competition Act provides scant solace for those seeking relief from the alleged unfair competition.

There are, of course, instances where claims of “unfair competition” fall squarely within the purview of the board. This usually occurs when the complaint relates to behaviour that constitutes a “restrictive practice” as defined in section 1 of the act, ie behaviour that directly or indirectly restricts competition. However, even then a substantial amount of ground still has to be covered before the original claim of “unfair competition” can be properly

designated and confirmed as unlawful competition. This transposition process takes place as follows.

Transposing “unfair competition” into unlawful competition

After a preliminary assessment of the situation has been made and it is decided that a formal investigation into the matter in terms of section 10(1)(a) is warranted, notice of the investigation has to be given in the Gazette. Interested parties are given 30 days in which to respond. Once the investigation has been completed the board must report to the minister. At present no time constraints are placed on the board in this regard. If in a given case the board is of the opinion that the restrictive practice in question needs to be declared unlawful by the minister, it will advise him accordingly. Although the act does not contain any provisions encompassing the rules of natural justice, the minister will, in accordance with the dictates of the *audi alteram partem* rule, provide the parties concerned with a copy of the board’s report and request it to respond to the recommendations. Twenty-one days will usually be allowed for this. Once the minister has received its replies he will decide whether or not to declare the restrictive practice unlawful. Restrictive practices are declared unlawful by notice to this effect by the minister in the Gazette. This notice must in turn be preceded by the publication of the board’s report on the matter and can take effect only after at least six weeks have elapsed since the declaration of unlawfulness was published. Of course, if an appeal against the minister’s decision is lodged — a further six weeks is allowed for this — finality on the issue of unlawfulness will be delayed even further.³

The act also makes it possible for the minister to declare unlawful any particular type of business agreement, arrangement, understanding, business practice or method of trading that is commonly adopted for the purpose of or in connection with the creation or maintenance of restrictive practices.⁴ The procedure in this case differs somewhat from that which applies in respect of the previously mentioned *ad hoc* investigations.

A formal investigation is still required. This entails that —

3 The prescribed procedure pertaining to investigations, the manner of dealing with restrictive practices and appeals are set out in s 10–15 of the act.

4 S 10(1)(c).

- (a) notification of the investigation be given in the Gazette in which the type of practice that is to be investigated, is identified;
- (b) interested parties be given 30 days in which to make representations concerning the matter; and
- (c) following the investigation a report containing the board's findings and recommendations be submitted to the minister.

If after consideration of the board's report the minister is of the opinion that it is in the public interest to do so, he may outlaw the particular practice by notice to this effect in the Gazette: provided that not less than one month before the date of publication of the notice he has published the text of the notice in the Gazette together with a statement of his intention to publish such a notice in the Gazette. There is no appeal against declarations prohibiting particular types of agreement, arrangement, etcetera.⁵

The most wide-ranging and best known of the *per se* prohibitions are those found in Notice 801 of 2 May 1986 which deal with resale price maintenance, horizontal collusion on prices, conditions of supply and market sharing, and collusive tendering.⁶ But there are others.⁷

Since (a) contravention of the notice is a criminal offence carrying a stiff penalty (R100 000 and/or 5 years imprisonment),⁸ and (b) in terms of section 322(5) of the Criminal Procedure Act of 1977 directors and even employees could be criminally liable where the corporate body with which they are associated, contravenes the prohibition, one would have thought it would be of particular concern to those at the helm of a corporation's affairs to ensure that their firms do not contravene the prohibition. However, a number of cases which have come to the board's attention suggest that a high proportion of those people are either unaware of or not concerned by the risk they face in this regard.

Where the board comes to learn of possible contraventions of the prohibition — which could happen in the course of one of our investigations or while

⁵ Inference drawn from s 15(1).

⁶ For the various steps leading to the prohibition see Notice 835 in Gazette 9512 of 1984-11-30, Notice 203 in Gazette 9661 of 1985-03-29, Notices 2250 and 2251 in Gazette 9959 of 1985-10-04 and Notice 801 in Gazette 10211 of 1986-05-02.

⁷ See eg Notice R2844 in Gazette 7974 of 1981-12-31 which prohibits certain practices pertaining to pharmaceutical products.

⁸ S 14(7), 19.

processing an unwitting complainant's request for relief from "unfair competition" — the matter will be referred to the commercial branch of the South African Police should it appear *prima facie* that the notice may have been contravened. Before taking such a step the board will usually inform the parties concerned of the possible contravention and invite their comment.

Agreements, arrangements and understandings that would otherwise be unlawful in terms of Notice 801 could be granted written exemption from the prohibition by the minister acting on a recommendation by the board.⁹ Before recommending that an exemption be granted the board must be convinced that on balance this would serve the public interest. An exemption vitiates the unlawfulness in question to the extent and for the duration determined by the minister. All exemptions, including permanent ones, are subject to review should the underlying facts or considerations on which they are based, change.

Unlawful competition in other legal systems

Other legal systems have a more firmly inculcated appreciation of the virtues of competitive trading and a longer tradition of public law regulation to ensure it than we have in South Africa. It is therefore useful at this juncture to take a brief, superficial look at the approach followed in some of them.

The New Zealand Commerce Act of 1986 and the Australian Trade Practices Act of 1974 both provide for a statutory scheme of prohibitions and exemptions through public benefit authorisations.¹⁰ In both countries contravention of the prohibitions expose the offending parties to pecuniary penalties, action for damages and injunctions.¹¹ There are no criminal sanctions for contravention of the restrictive practices provisions.

The Commerce Commission in New Zealand and the Trade Practices Commission in Australia police and authorise restrictive trade practices in the respective countries.¹² Appeals from authorisation decisions are heard by the Trade Practices Tribunal in Australia and by the High Court, assisted by lay members, in New Zealand.

9 S 14(5)(b) read with Notice 801 par 9.

10 Hill and Jones *Competitive Trading in New Zealand* (1986) 5.

11 Hill and Jones 158; Latimer 1988 *Australian Business Law* 564.

12 Hill and Jones 4.

The pre-eminent status which antitrust legislation enjoys in the United States of America is not matched in any other country. The three principal acts in operation there are —

- (a) The Sherman Act¹³ which prohibits, in general terms, agreements, combinations and conspiracies in restraint of trade, monopolization and a conspiracy or attempt to monopolize;
- (b) The Clayton Act¹⁴ which, *inter alia*, contains the basic provisions on mergers; and
- (c) The Federal Trade Commission Act¹⁵ which prohibits unfair methods of competition (including most of the conduct covered by the Sherman and Clayton Acts) and unfair or deceptive practices.

Notwithstanding the fact that the Sherman Act declares every contract, combination or conspiracy in restraint of trade or commerce among the several states or with foreign nations to be illegal, the Supreme Court has long held that the act applies only to behaviour that unreasonably restrains competition.¹⁶

Two tests were accordingly developed to categorize the behaviour that was challenged, namely the *per se* and rule of reason tests. In essence they amount to this: Because of their pernicious effect on competition and lack of any redeeming virtue certain agreements or practices are conclusively presumed to be unreasonable and therefore illegal without elaborate enquiry as to the precise harm they have caused or business excuse for their use.¹⁷ Behaviour that is not classified as *per se* illegal is judged under the rule of reason. This entails a thorough inquiry into the actual competitive effects of the defendant's actions and includes due consideration of any justifications the defendant may advance. Where significant anticompetitive behaviour is not offset by any positive effect on competition or other social benefit, the behaviour will be found to violate the Sherman Act.¹⁸

13 15 USCA s 1–11.

14 15 USCA s 12–27.

15 15 USCA s 41 *et seq.*

16 *Standard Oil Co of New Jersey v United States* 221 US 1; *Chicago Board of Trade v United States* 246 US 231 238.

17 *Northern Pacific Railway v United States* 356 US 1 5; *United States v Socony-Vacuum Oil Co* 150 US 223.

18 Metzger, Mallor *et al Business Law and the Regulatory Environment* (1986) 1140.

The antitrust division of the Department of Justice, the Federal Trade Commission and private parties, whether individually or through the mechanism of class actions, are all involved in the enforcement of the antitrust legislation in their own particular way.

Contravention of the Sherman Act could result in a fine of up to \$1 million in the case of a corporation and imprisonment of up to 3 years and/or a fine of \$100 000 for individuals. A novel feature of the American system is that private parties who suffer damage as a result of an antitrust violation are entitled to treble damages plus costs and reasonable attorneys' fees. Injunctive relief is also available.

The Canadian Competition Act of 1986¹⁹ makes it a criminal offence for anyone who conspires, combines, agrees or arranges with any other person to perpetrate any of the prohibited forms of anticompetitive behaviour. The concomitant penalties depend on the seriousness of the offence and include imprisonment for 5 years and/or a fine of \$10 million,²⁰ imprisonment for 1 year and/or a fine of \$25 000,²¹ and fines at the discretion of the court.²²

The Director of Investigations and Research has been given responsibilities in respect of criminal offences and reviewable matters, including mergers and notifiable transactions.²³

The Competition Tribunal has jurisdiction to review mergers and restrictive practices such as refusal to deal, abuse of a dominant position and tied selling. With one exception, ie an application for an order registering a specialisation agreement which may be brought by a private party,²⁴ only the Director may bring an application before the Tribunal.²⁵

One of the objectives of the 12-nation European Economic Community (EEC)

19 For an exposition on the act see Nozick and Neff *The Annotated Competition Act* (1987).

20 S 32(1).

21 S 36.

22 S 32.1(1).

23 For a brief exposition of the Director's role in the enforcement process see the Annual Report of the Director of Investigation and Research for the year ended 1988-03-31 3.

24 S 58.

25 See Part VII of the act.

is the institution of a system ensuring that competition in the common market is not distorted.²⁶ The implementation of this objective is regulated by articles 85 – 94 of the EEC Treaty and in various regulations, directives and notes forthcoming from the community institutions.²⁷

Article 85 prohibits practices which may affect trade between member states and which have as their object or effect the prevention, restriction or distortion of competition within the common market. Exemptions are permitted, either on an *ad hoc* or block basis, where it can be shown that the ostensibly unlawful conduct contributes to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit and which does not:

- (a) impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;
- (b) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

Article 86 prohibits abuses of a dominant position within the common market in so far as the abuses may affect trade between member states.

Enforcement of the relevant rules lies in the first instance with the Commission which is empowered to investigate complaints and to impose fines for substantive infringements. The Commission's decisions are subject to review by the European Court of Justice.

By virtue of the supremacy which community law enjoys over national law in the event of a conflict between the two,²⁸ and the direct applicability in the member states of the community rules governing competition,²⁹ agreements which offend either article 85 or article 86 would be void and unenforceable as between the parties notwithstanding the fact that the agreement

26 EEC Treaty a 3(f).

27 See in general on the topic Bellamy and Child *Common Market Law of Competition* (1987).

28 *Flaminio Costa v ENEL* 1964 ECR 585, 1964 CMLR 425; *Minister for Fisheries v CA Schonenberg* 1978 2 CMLR 519; *Amministrazione delle Finanze dello Stato v Simmenthal SpA (No 2)* 1978 3 CMLR 263, 1978 ECR 269.

29 *BRT v SV SABAM and NV Fonior* 1974 ECR 51, 1974 2 CMLR 238.

did not conflict with the laws of the state(s) of the contracting parties.³⁰ It would appear that articles 85 and 86 could also give rise to a cause of action in damages or for an injunction before a national court at the suit of a party injured by the abusive conduct of a dominant undertaking or the operation of a prohibited agreement.³¹

Features of the South African approach

When the rules governing competition in South Africa as set out in the Maintenance and Promotion of Competition Act of 1979 and in notices issued in terms of the act are compared with the rules that apply in other legal systems, it is clear that we are all concerned with and try to minimize the anticompetitive effects of certain restrictive practices, mergers and positions of economic dominance. There is even a high degree of consensus regarding the specific types of restrictive practice that are or ought to be outlawed and on the recognition of the fact that there may be occasions when certain restrictive practices would serve the public interest.

If I had to choose a single word to describe what distinguishes the regime we follow in respect of, more particularly, restrictive practices, I would settle for “duality”.

This perceived duality is manifested in a number of ways. Firstly, there is the immediacy of the unlawfulness of the restrictive practices enumerated in Notice 801 which can be contrasted with the mere prospective unlawfulness in the case of other restrictive practices. One may also note that whereas it is the minister acting *inter alia* on the advice of the board who, following section 10(1)(a) restrictive practice investigation, must determine whether the conduct in question is unlawful, in the case of alleged breaches of the *per se* prohibitions the investigation, prosecution and eventual ruling on the matter is done by the police, public prosecutors and the courts. Furthermore, consider the divergent functional applications of the concept of public interest in the case of restrictive practices that are being investigated on an *ad hoc* basis and where an application for exemption from the provisions of Notice 801 is considered. In the first mentioned case the concept could serve to in effect obviate any suggestion of unlawfulness, while in the latter instance it could be applied to vitiate the illegality that would otherwise exist.

30 Bellamy and Child 449.

31 *Idem* 455.

Competition law is one of the dynamic branches of the law which requires constant reappraisal to ensure that it can cope adequately with the pressing issues that arise from time to time. It seems to me that the notion of “duality” to which I have referred, will of necessity also feature in any thinking that may be directed at improving the existing system in South Africa.

For example, should it appear that it would be more expeditious and effective for, say, the board rather than the minister to decide on the unlawfulness of restrictive practices investigated in terms of section 10(1)(a), the implementation of the required changes would entail an aggravation of the prevailing duality. On the other hand, it may well be that envisaged improvements would be of a consolidatory nature, in which case they would result in a diminution of the duality. This would happen if it were decided that we should move to a system of *per se* prohibitions for all pernicious restrictive practices or to entrust the policing and enforcement of illegal restrictive practices to a single specialist body. The latter scenario would, arguably, also require the jettisoning of criminal sanctions in favour of a system of pecuniary penalties in the event of a breach of the relevant prohibitions.

Interface between private and public law rules

I wish to conclude this paper with a few words on the interface between the private and public law rules governing unlawful competition.

There is no doubt that the facts in a given case could both give rise to a delictual action and constitute a restrictive practice as defined in section 1 of the act. It is therefore conceivable that there could be occasions when the courts on the one hand and the board and the minister acting *in tandem* on the other will be required to make pronouncements on the unlawfulness of the conduct in question. Because of their disparate jurisdictions, mandates and perspectives, the respective adjudicators will, in the event of this happening, proceed entirely independently of each other and may eventually even take diametrically opposed positions on the matter.

Although the minister is not bound by judicial precedents when deciding whether or not a particular matter falling within his purview is unlawful, a decision by a court could be taken into account where it relates directly to a matter being considered by the minister. Thus, if prior to any decision being taken by the minister, a court of law were to decide that, say, X was

competing unlawfully with Y, this could serve to convince the minister that Y's anticompetitive behaviour in the form of a refusal to supply X was justified in the circumstances and hence not unlawful.

As already mentioned, Notice 801 determines that certain forms of conduct are illegal. The question which arises is whether such conduct would also constitute unlawful competition in the private law sphere. Van Heerden and Neethling believe it does.³² They accordingly suggest, at least by necessary implication, that where behaviour is at variance with the notice aggrieved competitors will be able to seek redress by way of an injunction and/or an Aquilian action.

While there is no disputing the correctness of the learned authors' viewpoint, it seems to me the uncertainty and financial implications of civil litigation will discourage most, if not all, firms from availing themselves of their private law remedies to counter the negative effects for them of breaches of Notice 801.

I also believe that although the potential for interaction between the public and private law rules governing unlawful competition certainly exists, the chances are that, save only for insubstantial exceptions, they will continue to be developed and to be applied independently of each other.

32 *Die Reg aangaande Onregmatige Mededinging* (1983) 154 163.

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Bespreking en samevatting Discussion and summary

Voorsitter: Professor J NEETHLING

Prof Neethling:

Dames en here, ons gaan nou oor tot 'n bespreking van die referate wat gelewer is. Vir doeleindes hiervan versoek ek vriendelik dat al die sprekers na vore kom. U moet asseblief die vrymoedigheid neem om vrae te stel of 'n bydrae te lewer. Voordat u begin, noem u naam sodat ons u later kan identifiseer. Baie dankie, die saak is nou oop vir bespreking.

Mr Wunsch:

I would like to put two questions. First, it has been a long time since I studied “persoonlikheidsreg”, but I would like to know whether, in a case of competition where somebody’s immaterial property is infringed — begging the question a bit — there is any room for the application of the law of personality rights to protect the proprietor of that property. It is a little bit outside the field of today’s discussion, but I thought it might be interesting to get a view on that. The second, I would like to ask Dr Brooks whether the Competition Board had on any occasion been asked to consider looking at a private contract between an employer and an employee in terms of which a restriction on trading activities is imposed on the employee. Such a contract in restraint of trade is often a subject matter of civil litigation, but I would like to know whether that has ever come before the Competition Board in any particular case for consideration.

Prof Neethling:

I would like to react to the first question. I feel that this really is an area of the law where the protection of the rights of personality is not of primary importance. One has to do with immaterial objects that can exist apart from the personality of a person and as such a direct infringement of a personality object is as a rule not present in the circumstances. However, I do not entirely exclude the possibility that by the infringement of a specific immaterial object one may also, eg, feel insulted, or perhaps a person's good name may be infringed — one may be defamed in the circumstances — or even his identity if false information had been distributed concerning him in relation to the specific immaterial object; but I do not think a direct infringement of a personality right is at stake here.

Dr Dean:

Can I add to that or perhaps ask a question? Professor Rutherford spoke about the right to the advertising image. Now an aspect of this immaterial property which has certainly been dealt with by Mostert in his doctorate, is the question of endorsements by individuals, eg, John McEnroe Earth-moving Equipment or something like that. Now surely there might be a personality right which could have been affected when that sort of symbol is misused.

Prof Neethling:

I would like to answer that. In American law a distinction is made between the so-called right to publicity and the right to privacy which is a personality right. The right to publicity is at stake where a person's identity — which has a definite market value — is misused, eg, where a well-known person's name is used for advertising purposes. Now, usually such a person has a material or economic interest in his name and not really a personality interest because he can use his name to make money. In most of these cases an immaterial property right, the right to publicity or as Dr Mostert in his doctoral thesis calls it, the right to the advertising image of that specific person — and not really an aspect of personality — is thus infringed.

Prof Boberg:

I would just like to add this that of course there was the case of *O'Keefe*

v Argus (Printing and Publishing Co Ltd 1954 3 SA 244 (C)), in which it was held that the unauthorised use of the photograph of a woman (who was an announcer on the SABC) for advertising was an *iniuria*, or rather could be an *iniuria*. This was decided on exception.

Prof Neethling:

Dr Brooks, would you now like to react to the second question of Mr Wunsch?

Dr Brooks:

Yes, I can confirm that this is a matter that we have not investigated in any depth. Earlier this year there was a party that approached the board with a view to lodging a formal complaint. This complaint eventually dissipated when the parties came to some agreement without resort to the board. You will however appreciate, that does raise rather difficult questions, and as I said in my paper, this would be a case where the two systems would run parallel to each other and in appropriate circumstances we would certainly have a look at it.

Mr Lane:

I would just like to ask Dr Brooks for his comment on what Dr Dean said about comparative advertising. I don't want Dr Brooks to commit the Competition Board, but Dr Dean has here made the proposal that competitors who are advertising, are not entitled to tell the members of public what they are really entitled to know. Surely, from the point of view of the competition law, if you have an advertiser wanting to say purely factually, here are my goods: they will do that; and here is somebody else's goods: they will do that. Surely, that could often be good, honest, clean competition. Would the Competition Board side with Dr Dean and say to the advertising competitors — who often don't want to fight with each other, but would like to be peaceful and not get involved in brawls — you must not do that. Now, is that in the public interest?

Dr Brooks:

Yes, perhaps what I should have said when I started reading my paper is

that the views I am expressing here today are my own and not those of the board; I am glad that Mr Lane has accepted that this is the way I am responding. So, if I give a very negative response you must not take it as any reflection on the board's ability to judge these particular issues. I would think that essentially that might well be an area that falls outside the parameters of our act. It will have to be a restrictive practice and the essence of a restrictive practice is that it restricts competition. I will therefore have to be convinced, first of all, that this is in fact restricting competition, and that it is not in fact, as you suggested, promoting it. So, I am not at all sure — I do not want to say that Dr Dean is correct or incorrect; what I would say, is that it is quite possible that in a situation where he thinks that advertisers might be accused of unfair advertising, that this would not be a matter that would attract the attention of the Competition Board.

Dr Dean:

Can I just comment on this? In so far as a registered trade mark is involved in the comparison it would certainly be outside the ambit of the Competition Board, because the Maintenance and Promotion of Competition Act has an exclusion when it comes to exercising rights derived from the Trade Marks Act.

Mr Morkel:

I have had the opinion expressed quite frequently that comparative advertising might well be in the public interest. I haven't got any personal view on the subject, but I am quite interested. I am also told that in the United States of America comparative advertising is common and quite vigorous. Has anybody had a look at whether, where it has been allowed, it has in fact been in the public interest?

Dr Dean:

I am personally not aware of the principle of comparative advertising ever being tested against the yardstick of the public interest. It certainly is permissible in America and it is very common in America. If one sees advertising in American journals and so forth, some of the advertising comes very close to being downright defamatory but presumably there are some guide-

lines which apply. So, the simple answer to your question is: no I am not aware of any such investigation but I think that the learned authors (Van Heerden and Neethling) of *Onregmatige Mededinging* deal with the question rather well. They say that it is very difficult ever to be truly objective. Generally, in comparative advertising one finds that the person utilising the comparative advertising is playing down the disadvantages of his product and extolling the virtues thereof, and he is doing just the opposite with the other. It then raises the question that if some form of disparagement is taking place, the court now has to sit down and decide between these two products whether the one is better than the other. This is a somewhat undesirable situation and I support those views expressed by the learned authors.

Prof Boberg:

Surely, in any event it does not answer the point about — I am not sure of the terminology — climbing on the band wagon as it were, and making use of the goodwill attached to the other product. Even if you said my goods are just as good as Rolls Royce's goods, you would actually be climbing on their goodwill. So, the truth of the two statements does not really help. Would you agree?

Dr Dean:

Yes.

Prof Neethling:

I may also add something to that. We (Van Heerden and Neethling) consider comparative advertising as in principle wrongful but it can be justified in certain circumstances, eg, by the public interest in acquiring knowledge about a certain product. I think one can imagine that in certain circumstances where a competitor develops a new product similar to others, but which has a new feature, the only way he can bring that to the public's attention is by saying that his product, in comparison with the other products, has this new feature. So, it may then be in the public interest to advertise that this product has this new feature. Of course, the comparison must always be, objectively seen, completely correct — otherwise there is an untrue disparagement and then it is unlawful competition.

Mr Stein:

This is an observation rather than a question. At the end of Mr Justice Page's very interesting and erudite address he made a statement which perturbs me somewhat, because it seems to be a statement of policy — judicial policy — coming from one of our more senior judges and as such it is interesting to this extent that it may show the direction in which the judiciary is going. He said at the end of his speech that the South African courts should only extend their protection to those who conduct some measure of economic activity in South Africa. As a criterion for access to our courts, I find that a little bit disturbing. Take, eg, the case of *Butt v Schultz* (1986 3 SA 667 (A)), of which we have heard a tremendous amount today. Everybody has agreed that Mr Schultz's behaviour was dishonest and reprehensible. Say, however, in the very facts of that case, we change one thing and put Mr Butt in England, and he is building his boats in England. Now Mr Schultz goes to England and does precisely to Mr Butt in England what in reality he did here and he comes back with this mould from England and he creates the same hulls over here. Now Mr Butt may have had intentions, eg, of coming to produce or sell his hulls in South Africa. Does it mean, because he is a foreigner who conducts no measure of economic activity in South Africa, he is now being precluded from the courts? I could understand that, in a situation of a foreign plaintiff who does not conduct any business here, an action will be refused because he suffers no damage, since damage is an element of delict. If there is no damage, I can understand that he cannot sue, but, with respect, that is not what Mr Justice Page gave as his reason for excluding the action. It is not that there was no damage suffered here; it is that as a matter of policy if the plaintiff does not conduct some measure of economic activity in South Africa, then the court should not come to his protection. Assume that by way of comparison, we just take a different delict, eg, we take the delict of defamation. If a South African magazine would defame a peregrine plaintiff, would there be any doubt whether that peregrine plaintiff who conducts no economic activity in South Africa, would be able to sue in the courts of South Africa? Our courts recognise *peregrini*. To my knowledge it has never been a criterion for a peregrine plaintiff to sue in the courts in South Africa that he should conduct some economic activity in South Africa. Would Mr Justice Page like to elaborate on that remark and perhaps clarify what he meant?

Judge Page:

Thank you. I certainly did not intend to convey quite that impression by

the question I have put. What we are confronted with, which is giving rise to the unsatisfactory situation which I described, is a rule of law relating to jurisdiction and that is that where a delict is committed against property, that property must be situated within the area of jurisdiction before the court can hear any claim in respect of the damage. That, as the matter stands at the moment, is a *fait accompli*. I have not dealt with the undesirable consequences of that general rule when applied to the particular situation of someone who has traded overseas, but thereby built up a reputation in this country. But you have to realise that, in order to change such a rule, you cannot do it simply to rectify one particular undesirable consequence. The court will then have to arrogate a jurisdiction to hear claims relating to damage inflicted to property in any unlawful way anywhere in the world and in making the concluding remarks that I did, I did not go so far as to say those were my views. I said there is much to be said for the argument that as a matter of policy the courts should extend their protection to people who take part in the economic life of the country. You would have to depart from that fundamentally in order to rectify the inequitable position which arises with regard to extraterritorial trading. Therefore I did not attempt to advance an answer to this problem. I am merely putting forward the pros and cons. All that I am saying is that it is not a wholly bad situation to insist upon the presence of the property in the jurisdiction of the court before the court may deal with injury to that property. A possible justification for it lies in the fact that the courts should look after the people who have property in this country in the form of trading interests or something else. As far as the defamation question is concerned, there again we are going into the field of personality rights. It is not in my field of expertise. As a matter of fact I do not even know what the law of jurisdiction is with regard to an infringement of personality rights of someone who is living outside the country. I do not think it makes any difference in this case because that is a totally different question. In the one case you are dealing with the infringement of a personality right which adheres to the person, in the other you are dealing with an infringement of a right to incorporeal property which adheres to a business and that should be regulated in the same way as any other wrong to property.

Mr Katz:

One question for Dr Brooks: I also was puzzled at first when I saw the title of his talk, because unfairness is not *per se* a requirement for a restrictive practice in terms of the act. But listening to some of the talks this morning,

does Dr Brooks believe that if a restrictive practice is not otherwise against the public interest, but is unfair, that that makes it unlawful within the meaning of the act being against the public interest?

Dr Brooks:

Yes, Mr Katz is always asking these difficult questions. Let me just put it this way. The thing is, as I see it, that unfair competition does not come into the definition at all, as Mr Katz points out. What we are looking at in essence is whether this particular practice restricts competition. Once it is established that it restricts competition, then, in the absence of some mitigating factor, which the parties may advance as to why it would be in the public interest, then it must be considered as unlawful. Then I see it as a restrictive practice. Once it is identified as a restrictive practice, there is in effect a built-in presumption in the wording of the act that we have to sort of move from that position and then it is an easy step to say that it is then unlawful; but the parties can then, or the board on its own can decide that there are factors in these particular circumstances which would justify it as being in the public interest and that would then take away the eventual unlawfulness. As I say, the unlawfulness, strictly speaking, only arises once it is declared as such by the minister, but if it is a restrictive practice, then the chances are very good that it is going to be unlawful. If the arguments are that public interest can justify that, then it would not be unlawful; perhaps that is the essence of what Mr Katz is saying. Instead of saying "what effect does unfair competition have in the public interest situation", it might well be a factor in looking what is in the public interest. It may well be that in a case of restrictive practice, looking at the public interest, we take a whole wide range of interests into account, including the parties concerned, the other people in the field, the other competitors and also the broader national interest and I would not exclude the possibility that the fact that it is manifestly unfair, might not be something that you could take into account there. But, of course, as I have said, the restrictive practice is already on the road to unlawfulness. You do not need anything extra at that stage. Who would be wanting to get away from the unlawfulness? It will be the party that is perpetrating the restrictive practice. I am just not sure what the content of the argument would be and who would advance the argument of the unfair competition nature of the practice within the context of the public interest consideration. So, to sum up, I would think that it is unlikely that unfair competition is likely to play a significant role in what the public interest is in the case of restrictive practice.

Mr Katz:

Mr Chairman, what I had in mind was whether in the totality of circumstances, there has been a violation of public interest. The minister must take cognizance of the recommendations of the board, which will take cognizance itself of all the surrounding circumstances. Now, what I really wanted to know is: is one of the relevant circumstances with regard to public interest “unfairness”? We know what is normally meant by public interest in this context: national economic factors, employment, things of that nature. But until today’s discussions, it never struck me that whether the conduct complained of is a delict, or even if it is not a delict, that it can merely be unfair. My question is whether “unfairness” would be a relevant consideration in the assessment of the public interest, which would arise before it can be held to be unlawful as against the public interest; I just want to ask Dr Brooks whether he thought that would be one of the relevant factors?

Dr Brooks:

As I say — and I did not perhaps make myself clear — if you look at the declaration of unlawfulness, the transposition from the claim of unfair disposition into restrictive practice, then, if there is nothing else that had come before the board, you would find the situation where we would be obliged in terms of the way in which the act is phrased, to tell the minister that this is unlawful, because there is a presumption in effect that a restrictive practice is unlawful. You see what I mean? There is a presumption that a restrictive practice is unlawful and you can only obviate the unlawfulness if the parties concerned aver that it should not be unlawful on some public interest ground. Now you have to advance the public interest. It has to be a plus factor for the public interest and I am not sure where the question of unfair competition is relevant here. Now you link that in a positive sense and say, look, it is unfair competition, but it is nevertheless a plus factor and that is why it is in the public interest.

Mr Katz:

Mr Chairman, I think I can venture to quote the report that led to the rules about tender practices. As I see it, the board in that report envisaged that there might be a situation which justified countervailing action and that this would possibly be something the board would be prepared to excuse. That

something against which you could take counterveiling action, would probably be something which was unfair or monopolistic and I think that if you look at that report, you would find the concept of unfairness there.

Mnr Bal:

Dit is 'n kleinsakeman- en onregmatige mededinging-vergadering, of soos u dit stel: -seminaar. Die definisie van 'n seminaar en 'n ander vergadering is nie so heeltemal duidelik nie, maar wat ek u wil vra, is dit: is daar werklik 'n beskerming vir die kleinsakeman wat sukkel met sy finansies? Ek bedoel dit in dié sin: so 'n tien jaar gelede het ons te doen gehad met 'n baie groot firma wat 'n farmaseutiese produk op die mark het met die naam van SUPRESTOL. Ons firma het ook 'n artikel op die mark — antiseptiese middel — met die naam van SUPEROL. Nou, SUPRESTOL is eintlik 'n duplikaat van 'n preparaat waarvan die patentreg verval het en daar dus kopiëring moontlik was. Nou kom die firma ewe skielik na ons toe en sê: weg met julle naam SUPEROL, want dit staan SUPRESTOL in die pad. Ons het 'n voor-gebruik hier in Suid-Afrika gehad van oor die 30 jaar. Nietemin is ons verplig om by 'n firma uit te kom wat patentregte en handelsmerke hanteer. Die hele storie kom hierop neer dat ons, terwyl ons eintlik nie geld gehad het nie en daarvoor geld moes leen, oor die R18 000,00 daarvoor moes uit-tel. Tien jaar gelede was R18 000,00 baie geld. Toe kom die firma vorendag en sê, ja, ons sal nou die aksie staak, mits julle bereid is om te erken dat SUPEROL geen chemoterapeutiese middel is nie. SUPRESTOL is 'n chemoterapeutikum; SUPEROL is ook. Dit is 'n suiwer 8-hidroksied-chrinolien-sulfaat; kortom, in die farmaseutiese wêreld bekend onder die naam van Kinolien of Chrinolien. Dit is 'n klein tabletjie wat in water oplos en dit is bedoel om 'n self-aanmaak antiseptikum daarvan te maak. Maar terwyl die produk nou in Holland vervaardig word, is dit ontsettend moeilik en 'n geweldige duur proses om wel jou chemoterapeutiese aansprake daar en dan op 'n kort kennisgewing voor 'n hof te bring. Die punt wat ek wil maak is dit: dit het gegaan bloot oor die handelsnaam SUPRESTOL en SUPEROL. Wat ek u wil vra, meneer die voorsitter, is dit: het dit nie tyd geword vir Suid-Afrika dat ons by hierdie toedrag van sake ook 'n ombudsman, soos dit in baie Europese lande wel die geval is, kan nader met 'n dergelike probleem nie, want as jy nou aanhou met prosedeer, dan kos dit jou net geld en aan die einde van die dag is dit baie dankie, ons het ons uiterste bes vir jou probeer, maar ons kon nie hond haaraf maak nie; en die mense het net nie die geld om verder te prosedeer nie. Ek glo nie soseer dat dit net 'n kwes-

sie van geld is nie, maar dat daar ook 'n sekere mate — 'n sekere dosis — van korrupsie ingesluip het. En dít is die groot probleem! 'n Verdere vraagstuk — ek is jammer dat ek vir dr Brooks weer daarvoor spreek — het ek vanmôre ook by hom aangeroen en probeer om die een en ander te verduidelik. Maar as dit nou gaan om regmatige mededinging, in die hospitaal is dit so dat daar medisyne op kodelyste is. Goed. Maar dan is daar ook 'n tradisie dat die hospitaaldokter gemotiveer kan word om 'n bepaalde preparaat te gebruik. Al die jare nog het ek my bes probeer om dié preparaat ook deur motivering by die dokters of by die hospitaal in te kry. Baie dokters wil dit hê en het dit gemotiveer, maar dan word dit deur die hospitaalowerheid afgeskiet om watter rede ook al — volgens hospitaaladministrateurs, mense wat hoë posisies het, is dit uitsluitlik as gevolg van beskerming van bestaande belange. Wat ek wil sê is dit: is daar nie 'n sisteem wat ons behulpsaam kan wees nie; want daar was 'n vergadering by die Raad op Mededinging gewees waa daar amptenare van die hospitaaladministrasie was en daar was oor gekorrespondeer vir 'n paar jaar en die hele punt waaroor dit elke slag gaan, is dat ons maatskappy nie die regte prosedures volg om op die medisyne-kodelys te kom nie. Dit is nie waaroor dit gaan nie. Dit gaan oor die feit dat 'n dokter wat die preparaat wel wil hê — wat proefondervindelik vasgestel het dat dit werklik 'n bruikbare middel is — dit motiveer en dan die kous oor die kop kry, selfs met die mededeling: die hospitaaladministrasie beveel geen tumorlien aan nie. Baie eenaardig, want dit is juis daardie middel, soos dit deur die groot kokkedore beweer word, wat die antibiotika van die toekoms gaan wees met dieselfde mediese of chemiese samestelling. Baie dankie.

Prof Neethling:

Baie dankie vir u bydrae. Ek is nie seker of dit presies die forum is waar u u klagtes moet lê nie, want ons is hier besig om onregmatige mededingingsprobleme te bespreek. Miskien sou u meer kon baat deur 'n amptelike versoekskrif na een of ander statutêre liggaam of minister te rig in verband met die ombudsman en ook miskien in verband met die ander probleme wat u het.

Dr Klopper:

Mr Chairman, through you to Prof Boberg. I have just one observation to make in the form of a question and that is: is the contention that *dolus* is a sub-requirement for wrongfulness not merely a reflection of the fact that the application of the ideas, inventions and designs of others can only be

done intentionally, so that all the authority that he has referred to is a reflection of this fact that you can only infringe, or make use of the ideas and inventions and designs of others intentionally? I would like to hear him on that.

Prof Boberg:

Thank you. What you are really saying is that my thesis is a tautology? Well, a simple answer is, yes, save for the *Elida Gibbs* case (1988 2 SA 350 (W)). If you are going to talk about the application of the ideas and designs of others to your own product, then I agree that it is difficult to imagine an absence of intention. Well, give me a little more time and I might be able to imagine it. However, in the *Elida Gibbs* case it was not quite that, but it was — as I suppose everyone knows — the question whether the making of a factually, or allegedly factually, false statement in advertising amounted to unfair competition against a rival toothpaste manufacturer. It would certainly be conceivable in such circumstances that one can lack the intention to deceive, because if one honestly believes that the claims in the advertisement are true in fact then one does not intend to deceive. I think that is the kind of context in which I would put this proposition forward, but there may be others.

Dr Klopper:

The second question I have is directed to Dr Dean: I want to know from him to what extent does he propose that the ASA Code is a guide, rule of law or a principle for distinguishing between lawful and unlawful advertisement. My view is that one has to determine in any given situation what the *boni mores* are. Now, the various ways in which one establishes this, are to look at what legislative provisions exist, what the courts have said and what the morals of that particular trade are: and I say the ASA Code reflects what the morals of that particular trade, certainly the advertising trade, are. I do not necessarily say that that is the end of the matter. I say that that is a factor that is taken into account and when it is seen together with the fact that the Trade Marks Act makes provision for stopping comparative advertising and that the courts have adopted that attitude as well, I say that the *boni mores* are against comparative advertising.

Dr Dean:

If you analyse the ASA Standards Code, it is largely a reflection on the common law as it stands. There are provisions of the law of competition that you can identify in the ASA Standards Code which they have just taken over as saying to the practitioners: listen, this is what is done and what is not done. That is not necessarily a reflection of what is proper according to the *boni mores* standard. My view is that this is something which they have voluntarily adopted themselves. This is the way they choose to regulate their conduct and as Mr Justice van Dijkhorst said (in the *Atlas* case 1981 2 SA 173 (T) 188 – 189) that a consideration in establishing the *boni mores* is what are the norms which prevail in that particular area of endeavour and I say that this is a strong indication. The ASA Code is a strong indication of what those norms are and the fact that it may embody what is in any event the common law gives all the more reason to say that this is a distillation of what the main rules of the advertising trade are and should be.

Prof Scott:

Meneer die voorsitter, ek moet u verskoning vra. Dis nou kwart voor vier op 'n Vrydagmiddag en ek wil nou so 'n bietjie krap oor die dogmatiek van die reg. Dit gaan basies oor die stellings wat prof Boberg gemaak het. Prof Boberg, dink ek, het beoog om 'n bietjie kontroversieel te wees. Hy het trouens gesê hy gaan teen wat regter Van Heerden gesê het en hy is in opposisie met wat u standpunt is. Nou moet ek erken, ek doseer nou al baie jare so half in 'n waas van Van der Merwe en Olivier (*Die Onregmatige Daad in die SA Reg* (1989)) deliktereg aan my studente en ek vertel hulle altyd dat jy nooit skuld en onregmatigheid moet verwar nie. Prof Boberg ken al daardie stories seker tot satwordens toe. Maar in ieder geval, ek het in die lig van die feit dat dit nou al laat in die middag is, so 'n paar notas geskryf. Ek gaan nie 'n lang betoog hier hou nie, maar ek wil basies net 'n paar stellings maak en dan wil ek net 'n enkele vraag of twee vra. Nou, soos ek verstaan het, sê prof Boberg dat "intention" (*dolus*), die tegniese begrip, bepalend kan wees vir die aanwesigheid van onregmatigheid. Dié standpunt is dan natuurlik spesifiek van toepassing by onregmatige mededinging, maar hier is ook die gedagte gehuldig dat onregmatige mededinging maar 'n spesies van die *genus* delik binne die normale parameters van Aquiliese aanspreeklikheid is, sodat die normale elemente van die delik vir skadevergoedingverhaling aanwesig moet wees. Nou, dit bring my by 'n punt — om miskien 'n bietjie langdradig te wees — die deliktereg. Hierdie vakgebied — dit

is die gebied waarbinne ons bespreking nou val — is 'n ongelooflik interessante gebied, veral omdat daar so baie uiteenlopende standpunte is. Ek het 'n paar jaar gelede uitgewerk dat as ons aanvaar daar is vyf elemente van 'n delik, en dat daar, sê nou maar, oor elke element net drie verskillende standpunte is oor wat presies elke element behels, dan is daar 'n moontlikheid van 243 verskillende definisies van wat 'n delik is. As jy dit neem na 5 moontlikhede vir elke element, dan kom jy op die verstommende getal van 1 875 definisies van 'n delik en is dit onwaarskynlik dat regsgeleerdes, veral akademiese regsgeleerdes wat daarvan hou om 'n bietjie waserig te argumenteer, ooit bymekaar sal uitkom. Dit bring my nou by opset. Wat is opset? Nou weet ek — ek het nou net gesê — dat daar verskillende standpunte is, maar ek reken daar is redelike gronde om te sê opset beteken 'n verwytbare gesindheid by 'n toerekeningsvatbare dader wanneer hy sy wil gerig het op die totstandkoming van 'n spesifieke gevolg, wel wetende — en dis belangrik — dat daardie gevolg onregmatig is. Dis Van der Merwe en Olivier se standpunt. Die standpunt in Neethling, Potgieter en Visser se boek (*Deliktereg* (1989)) is basies dieselfde behalwe dat die klem nie sodanig in die definisie op die toerekeningsvatbaarheid en die verwytbareheid val nie. Snyman *Strafreg* sê dieselfde. So ook De Wet en Swanepoel *Strafreg*. Die groot ding waaroor dit hier gaan, is dat daar wederregtelikheidsbewussyn moet wees voordat jy van *dolus* kan praat. Nou, my vraag is, hoe kan hierdie algemene siening van opset, let wel in die tegniese sin, bepalend wees van onregmatigheid? Onregmatigheid moet tog eers vasstaan voordat die verwytbare gesindheid, dis nou as gevolg van onder andere die onregmatigheidsbewussyn, afgelei kan word. Nou, ek dink dis om die kar voor die perde te span, met respek. En nou, in Suid-Afrika het ons 'n probleem. Ons het, anders as in die Duitse reg, byvoorbeeld, nie die dogma ontwikkel op grond van 'n burgerlike wetboek nie. Dis baie maklik vir die Duitsers om te sê dat jy met die onregmatigheidstoets eintlik die laakbaarheid van die daad bepaal. Met die skuldtoets opset bepaal jy die laakbaarheid van die dader. By ons is ons normaalweg geneig om nie so te redeneer nie. Nou wil ek nie sê dat by onregmatigheid dit net gaan daaroor of 'n daad *ex post facto* redelik of onredelik is nie. Nee, die geestestoestand van 'n dader kan definitief bepalend wees, maar dan praat ons van motief, *animus nocendi*, en nie *dolus* nie want dis iets anders. Dit is 'n blote gesindheid. Daaroor kan 'n mens ook lank redeneer, maar motief het nie alle attribute van opset nie, byvoorbeeld wederregtelikheidsbewussyn is nie 'n vereiste nie, en ook nie toerekeningsvatbaarheid nie. Ek kan u maar verwys na een van die bekende tekste van die man wat die put gegrawe het, *Digesta* 39 3 1 12. Nou, motief word gewoonlik gebruik om 'n *prima facie* regmatige daad as onregmatig te beoordeel, ten

spyte van die feit dat daar sake is soos die ou *Tsose v Minister of Justice* (1951 3 SA 10 (A)), wat gesê het “just as the best motive will not cure an otherwise illegal arrest, so the worst motive will not render an otherwise legal arrest illegal”. Maar ek dink die oorgrote meerderheid mense sê dat motief, al is dit ’n geestestoestand, wel ’n rol te speel het by die bepaling van onregmatigheid. Nou, indien prof Boberg met ander woorde met motief hier speel, wil dit vir my lyk of ’n *prima facie* onregmatige handeling dan deur die aanwesigheid of afwesigheid van motief as regmatig beoordeel word en dis eintlik ’n omdraai van die normale rol wat motief in die gemenerereg gehad het. Uit die blote feit dat reeds gerapporteerde sake wat ten gunste van die eiser uitgewys is, gevalle was waar daar opset aan die verweerder se kant was, moet ’n mens ook nie te veel aflei nie. Dit is blote toeval. Nie net presedente vorm ons reg nie, maar ons moet ook dogmaties kan redeneer. Ek sluit af. Ek wil net sê dat opset dan waarskynlik nie ’n bepalende faktor van onregmatigheid in hierdie sin kan wees nie. Hoogstens kan gesê word, en dit is myns insiens nie eens te sê dat dit ’n geregverdigde afleiding is nie, dat opset die vereiste skuldvorm vir die delik van onregmatige mededinging is en nie nalatigheid nie, dit wil sê opset is ’n *sine qua non* vir aanspreeklikheid en nie vir onregmatigheid nie. Miskien kan ek net hierdie gedagtes illustreer deur ’n bietjie na die feite van *Schultz v Butt* (1986 3 SA 667 (A)) te verwys. Sê nou maar daardie man wat die besondere vorms gekopieer het, het advies ingewin van ’n prokureur — hy was dus heeltemal onder die indruk dat hy kon doen wat hy gedoen het — en hy gaan aan en produseer die goed, beteken dit nou dat hy nie onregmatig handel nie? Of, kom ons gaan nog ’n bietjie verder. Sê nou maar hy het anders as ’n redelike man sou gedoen het, nie na sy prokureur toe gegaan nie (baie mense sê vir my ’n redelike man gaan deesdae nie na ’n prokureur toe nie!) maar hy het na ’n vriend van hom gegaan wat ook bote bou en dié het vir hom gesê: “Man, ek kopieer al tien jaar lank hierdie tipe goed, en dit is definitief wettig.” Gestel nou hierdie man het aanvaar dis die waarheid en hy het die boot gereproduseer en die eiser het skade gely. Nou wil dit werklikwaar voorkom of, volgens prof Boberg se uiteensetting altans, so lyk dit vir my, daar geen regs middel is vir die man wie se boot gekopieer is nie. Dit gaan om basiese beginsels, maar my argument is nog altyd dat as die dogma nie reg is nie, kan die praktyk ook nie reg wees nie. Ek sou baie graag hier net u standpunt wou hoor. Is ek reg as ek verstaan dat u opset in sy tegniese sin opneem, of bedoel u iets anders? Baie dankie.

Prof Boberg:

I am tempted to say: what was the question again? I have done my best to

make notes of the question. Well, Prof Scott, I think, is also accusing me of something like a tautology. As I understand it, what he says is this: since intention requires consciousness of wrongfulness — and there is a very recent Appellate Division case confirming that; there is no question that that is correct — then, how can intention be a prerequisite for wrongfulness because it must first be wrongful before you can know that is wrongful and you cannot have intention unless you know that it is wrongful. Have I got it? Well, I have to fall back. That is very logical. I do not dispute it. I think I fall back by saying that I do not mean intention in the technical legal sense. I think I mean knowledge that you are taking something, that you are pilfering something. It is this “dishonesty” element that I am aiming at and not the idea of negligence, the idea that you honestly believe that you are entitled to do this. However, we come to the part about consulting your attorney — your last point — and Mr Schultz, had he gone to an attorney. Well, the answer has to be, it could not have made any difference. What Schultz did, was so offensive to the *boni mores* that I really do not think that the Appellate Division would have taken any different view if he came to court and he said he consulted his attorney and they were equally foolish. But even if Schultz was innocent, I am prepared to go so far as to say that actual innocence would be no excuse. I do not know if we can take consciousness of wrongfulness so far, because this circle exists in every case where wrongfulness is a difficult issue. If we have to wait for a court’s decision as to whether certain conduct is wrongful, then we are never going to have intention, because how can a person be conscious of the court’s decision before it is made? I do not know that consciousness of wrongfulness can be taken that far. I would like to think about it longer, but I have a feeling there is something wrong with the argument. I want to make one other point and that is as far as motive is concerned, Prof Scott contended that my thesis was the wrong way round as compared with the usual situation. He put it this way: normally you have a *prima facie* lawful act and the improper motive makes it unlawful. He however says that here you have a *prima facie* unlawful act, but I do not agree. I think competition is *prima facie* lawful. The whole point about it is that it is lawful. Everyone is entitled to compete but there are certain limits and there is already authority in the *Hawker* case (1987 3 SA 777 (C)). There is a clear statement that motive can make a difference. Motive makes a difference wherever the court has to balance legitimate claims of two honest people, each one trying to exercise his rights, particularly in the field of nuisance. You probably all know the *Gien* case (1979 2 SA 1113 (T)), but I think I am impressed with your arguments, if I may say so with

all respect, and I shall certainly give them some more thought. Thank you, Prof Scott.

Mr Mokgosi:

This question is directed to Dr Dean. It is about the view that comparative advertising in this country is *prima facie* unlawful. I have had the opportunity of hearing an opposite view. The Advertising Standards Authority has nothing in its Code of Conduct that expressly prohibits comparative advertising. To develop that further, in the United States, as an analogy, marketing wars have been made by leading brands of similar products against each other, eg, there is the famous or infamous COKE versus PEPSI COLA battles. COKE and PEPSI COLA are basically offering a similar consumer benefit in marketing terms and basically one product is sweeter and the other one a little more sweet, but in their advertising claims they are allowed to knock the other brand down and to say: prefer my brand against the other brand. In the South African situation you have a rather unnecessarily conservative approach and my understanding — Dr Dean can correct me here — is that the South African consumer is deprived of the right to make a choice between two brands that are basically offering a similar or the same benefit in the sense that, as he alleges, the ASA prohibits that kind of advertising. Now, my question to Dr Dean is: seeing that I have had the opportunity of hearing an opposite view, wouldn't you admit that this approach you are espousing is rather an unnecessarily prohibitive and conservative approach to comparative advertising and actually that the ASA does not expressly prohibit comparative advertising in this country? It is only that because of tradition and other business ethics, it has not been embarked on in this country. I would like to hear Dr Dean's answer to that one.

Dr Dean:

When a registered trade mark is involved I do not think there can be any doubt at all that comparative advertising is unlawful in this country. As I attempted to explain the very motivation for section 44(1)(b) in the Trade Marks Act was to overcome previous difficulties that existed in Britain where traders could not prevent comparative advertising. Moreover, the Appellate Division has held in the *Klep Valves* case (1987 2 SA 1 (A)) that it was unlawful, it was an infringement of a registered trade mark to say that KLEP valves-parts are intended to fit SAUNDERS valve pumps. So, I firstly be-

lieve that there is no doubt at all when it comes to the question of registered trade marks. When we are talking about comparative advertising which does not use registered trade marks, we are on slightly shakier ground. Here is really no authority on which to rely. I am distilling the principles out of the cases to date, more particularly, *Schultz v Butt* (1986 3 SA 667 (A)) and I am saying that my interpretation of the *boni mores* in this situation is that comparative advertising is not permissible. I may be wrong in that view. As part of arriving at what I consider to be the correct norm of the *boni mores* in this field, I am guided by what is stated by the Advertising Standards Authority. Now, I disagree that there is nothing in the Code which prevents comparative advertising. The one I would like to rely on most of all though, is clause 7.2. Now, you must bear in mind that most comparative advertising is using the market leader of a successful product as a stepping stone to grab a slice of the market. So, if you bring out a new cool drink and say this cool drink tastes as nice as COCA COLA does, straightaway everybody who knows COCA COLA has a yardstick by which they can assess your product. You are climbing on the back of COCA COLA. Now, clause 7.2 of the ASA Code says: “Advertisement should not take advantage of the goodwill attached to the trade name or symbol of another firm or its product or the goodwill acquired by its advertising campaign locally or foreign . . .” That is to my mind an express provision which says you may not compare your product to a market leader like COCA COLA. Now, whether or not as a policy issue this is desirable, that is a different question. In the United States comparative advertising is considered from a policy point of view to be in order. The fact that comparative advertising is allowed in America is of course no reflection on whether it is lawful or unlawful in South Africa. Personally I believe that comparative advertising, from a policy point of view, should not take place, because people like COCA COLA or LUX soap — or name whatever well-known product you want — develop their reputation by enormous effort spending lots of money on advertising, promoting their product; they earn their place in the market place and for a pretender to come along and use that hard-earned position as a stepping-stone and to get on to the same sort of level without going through that effort, I think, is unfair and that is my view of the policy as such. Thank you.

Mr Wunsch:

If we turn that round, Dr Dean, and say somebody came with a new cool drink and is just starting to make an impact and COCA COLA then advertise and say that our well-known product is far superior to this new product

which has come on to the market. They would not really then be climbing on the band wagon of the new product. That is the first question.

While I am here can I ask another question to Prof Boberg? I just want to clarify something. Is your view (with regard to *dolus*) the same with regard to an action for damages, taking the case of somebody who makes a false claim about the qualities of his product? If he had been negligent in asserting that his product had certain qualities which it didn't have, would a competitor be deprived of an action for damages if he could prove negligence?

Dr Dean:

Well, I would ask myself the question of why COCA COLA would want to make that statement? Presumably they would feel threatened by the other product before they would make such a statement. Otherwise there is no point in making it. If that is the case, then they are in fact firstly possibly disparaging the other product, but secondly they are trying themselves to rely on whatever reputation the new product has required in the short space of time.

Prof Boberg:

As far as the action for damages is concerned, I would say this: if I require *dolus* for wrongfulness, then obviously I must require *dolus* for fault as well, because I will not have my wrongfulness without it. So in a case where the actor was merely negligent, I would non-suit the plaintiff for negligence. So where, as I said this morning, I am quite happy to go with Van Heerden and Neethling that the fault element can be *dolus* or negligence, of course, I had my tongue in my cheek. I knew I had to win on wrongfulness first.

Prof Neethling:

Dames en here, baie dankie. Ons het aan die einde van ons bespreking gekom en ek vra nou vir prof David Joubert, Dekaan van die Regsfakulteit van die Universiteit van Pretoria, om vir ons 'n samevatting van vandag se verrigtinge te gee.

Prof Joubert:

Geagte Voorsitter, dames en here. Dis nogal 'n opdrag om na so 'n lang dag

'n samevatting te gee wat almal sal herinner aan die gebeure en reg sal laat geskied aan alles wat gesê is. Gelukkig is dié wat ander afsprake gehad het, alreeds weg. Ons, die bittereinders, uit liefde vir die belangrike onderwerp, sal tog wil hê dat dit moet geskied.

We have the difficulty with this topic that it is esoteric and I cannot even pose as an authority. I am merely an educated dilettante, but having listened to the questions, I feel quite at home.

Dames en here, een van die belangrike fasette van so 'n seminar is natuurlik die keuse van die onderwerpe wat die sprekers moet aanspreek en dan ook van die sprekers self. Daar is min dae wanneer 'n mens by 'n regsgeleerdebyeenkoms kan kom dat jy nie meningsverskil kry nie, maar gewoonlik is dit met die afwesiges. Vandag het ons hier 'n warm debat op die vloer aanskou. Ons het ook 'n oorfloed van vrae gehad wat getuig het van die betrokkenheid van die gehoor en ek dink dit was in die geheel gesien 'n baie leersame proses; nietemin is daar sommige van ons wat nog onoortuig huis toe gaan keer.

Ek dink die tema is gestel deur prof Hosten dat dit 'n belangrike onderwerp is — belangrik vir 'n nywerheidsland of 'n wordende nywerheidsland soos ons. 'n Tweede belangrike kenmerk van hierdie onderwerp is gestel deur minister Dawie de Villiers, dat dit 'n ontwikkelende terrein van die reg is. Daar is baie fasette waarop 'n mens sou kon ingaan, maar die belangrike was dat die Staat dit beskou as 'n terrein waar ons nog nie 'n klinkklare produk het om aan die gemeenskap te bied nie. Hy het gesê dat 'n versigtige herwaardering van die bestaan van die regsposisie nodig is, en dat indien verandering blyk wenslik te wees, verandering nie sal uitbly nie. Daarmee is die toon van hierdie verrigtinge aangegee: volgens die sprekers kan ons verbeterings in die reg te wagte wees en hulle het selfs sover gegaan as om voorstelle te doen.

Die aanvang van ons debat was 'n rede deur appèlregter HJO van Heerden — ook bekend as Hennie van Heerden, een van die grondleggers van hierdie terrein — oor die mededingingsprinsiep. Ons het die voorreg gehad om te sien dat 'n regsgeleerde tog wel 'n ontwikkeling kan deurgaan wat betref sy idees oor 'n bepaalde onderwerp en hy het dan ook vir ons verduidelik dat waar hy aanvanklik gemeen het dat daar 'n vaste kriterium moet wees vir die reg, daar tog voordele geleë is in 'n soepele kriterium onderhewig daaraan dat daar dan aanvullende kriteria van die een of ander aard sal wees

om bepaalde gevalle te kan hanteer in die praktyk. Hy het toe ingegaan op die hele vraagstuk, op die definisie van die regspraak en daar het dit gegaan oor die woorde “fairness and honesty” wat in een saak gebruik is. Die een woord “fairness” is te vaag en “fairness and honesty” is ook te vaag en die woord “honesty” is ook te vaag. Die vraag is wat beteken dit en uiteindelik het hy daarop gewys dat daar ’n sintese bereik is in die regspraak wat min of meer alle botsende opvattings saamvat in ’n objektiewe toets waar “fairness and honesty” ’n enkele begrip weergee. Hy gee ook te kenne dat dit nie hier gaan oor elemente soos *dolus* en skuld nie. Hy onderskei duidelik tussen regsnorme en etiese norme en hy wil graag hê dat ons op hierdie terrein nie moet werk met ’n morele oordeel nie, maar met ’n regsoordeel wat bevredigend is. Hy aanvaar die toets van die regspraak, naamlik “fairness and honesty”, of die ekwivalent daarvan, die *boni mores*-maatstaf as die oorkoepelende soepele toets; dié toets wil hy dan ten aansien van die betrokke terreine beoordeel aan sy eie idees oor die mededingingsprinsiep. Hy wys dan ook hoe die toets deur die howe toegepas is en hoe hy dit sou toegepas het. Hy neem ons deur enkele gevalle soos die misbruik van vertroulike bedryfsinligting, die parasitering van ’n ander se prestasie en ook deur die terrein van misleiding ten aansien van eie prestasie. Hy toon dan aan dat die gebruik van vertroulike bedryfsinligting selfs deur ’n onskuldige persoon, as dit strydig is met die opvatting van die gemeenskap, onregmatige mededinging sou daarstel en dat dit versoenbaar is met die mededingingsprinsiep. Hy toets dit veral aan twee bepaalde vrae: Sou ’n goedkoper produk nie meebring dat die gebruik van die inligting regmatig moet wees nie? Sy antwoord is: nee. Moet die individu nie voortborduur op grond van die werk wat deur sy voorgangers gedoen is nie? Die antwoord is dat na ’n tyd sal dit wat bestaan tog wel gemeenskaplike besit word en intussentyd behoort die persoon die voordeel te kan geniet. Ek sal nie ingaan op die ander twee gevalle wat hy ook ontleed het nie.

Prof Boberg has suggested that he had his tongue in his cheek. I hope so. I think he intended to be controversial as Prof Scott has suggested. I think he pretended that this was a subject where the final word has not been spoken and I think that places his contribution in the correct perspective. I think he was trying to draw a conclusion from the cases as he found them and telling us to go slowly over the law. I do not think he meant to suggest that in the future he would be against a liability which were not founded on intent, but for the present moment we must abide by the precedents and we must accept the limitations. But in order to do this, he had first of all to say that we must depart from all the normal rules of delict; we must divide

delicts into categories and we have one category where special rules apply, and that is the delict of unfair competition. In other spheres the normal well-known rules apply, but in this sphere, because it is novel because it has only existed since 1968 — we must abide by the precedents, and on his interpretation of the precedents *dolus* is required. He had ample opportunity during our proceedings to amplify what he meant by *dolus* and I think we are under no doubt that he has not got a specific definition, but *dolus* here includes a number of things. *Dolus* here means dishonesty, not a specific well-known legal connotation. In that particular event one is content to say that he has observed that in the particular cases intent was present as a fact, and he has interpreted that it is now in fact a requirement for liability. I think that Judge Van Heerden pointed out that nowhere in the cases was liability based on negligence excluded and that, I think, presents the chief difference between the two. I think they have enlivened our presence at the seminar by this direct conflict and we all know that Prof Boberg is not someone to shirk from the duty of putting his view whatever the circumstances. Ek moet sê hoe ouer ek word, hoe minder kritiek kan ek uitspreek teenoor appèlregters. Dieselfde geld nie vir ander regters nie, maar my kollegas kwalifiseer natuurlik nie vir dieselfde tegemoetkoming nie.

The next address was that of Judge Neville Page and you will now excuse me from this point for passing fairly quickly over their addresses. He addressed us on the territorial limitations of repute in passing off and the applicability of unlawful competition to situations created by international trading. He pointed out that there is a difference between goodwill and reputation and that we are apt to confuse the two; whereas goodwill is territorial, reputation can be extra-territorial or international and this was a basic fact which had to be taken into account. He then confronted us with the reality of the rules regarding jurisdiction. The rules of jurisdiction say that a court can only hear cases where the reputation or property has been damaged in the jurisdiction of the court. This he then took to mean that if the person was not trading in the particular court of jurisdiction and he had no goodwill there, he had no right to bring a suit. This I presume, according to my interpretation of his address, might be an injustice, because there might be a reputation in the goods in the particular jurisdiction, and in that case the person should be allowed, or maybe we should consider allowing him to bring an action. There was some dispute as to the precise import of his words, but I do not think he suggested that we should allow a person who is not carrying on business in the jurisdiction of the court to bring an action. I suppose one may say the question is whether the person has *locus standi* to bring

an application to court; and on the other hand one might say but what are the rights of the public not to be misled by the person who is busy abusing the reputation of another's trade mark. So much for the address — very learned and interesting — of Judge Page.

The next address was that of Prof Brian Rutherford. The title was "The misappropriation of the advertising value of trademarks". Now, this is a novel area of the law which owes much, I suppose, to the work of Dr Mostert in his thesis on the topic. We all know that a trade mark has a functional character. It indicates origin and the whole question revolves around a new characteristic of a trademark, namely the trademark as a selling device. Now it is obviously a fact that a trademark has this particular value. It lends itself to a particular type of use and the argument is that whereas the trademark can be used as an advertising value, the law should also protect the advertising value. Now I do not think that the two go together as far as my opinion is valid, but the speaker then went on to try and establish his point by taking us through all the possibilities that exist and he took us through the common law and the statutory law. The statutory law offers only indirect hope of success; the common law is therefore the vehicle for protection and here it all revolved around the question of confusion of sponsorship that if, to use his example, I have a YALE lock and you had a YALE bus, the public might think that we are one and the same business and therefore there should be some form of protection. All this referred to the very famous *Holiday Inn* case (1977 2 SA 916 (A)) which was mentioned quite often. To prove his point further, he investigated the legal position in some other jurisdictions — the German and the American — and the conclusion then was inescapable that there should be some remedy in respect of this particular function of a trademark. So, we hope that those who are involved with amending the law, have their ears open.

Die volgende voordrag was dié van mnr Knobel oor die beskerming van die reg op die handelsgeheim in die mededingingstryd. Nou ja, daar is natuurlik die vraag wat 'n geheim is en blykbaar is 'n geheim in die handelwêreld iets wat aan meerdere mense bekend kan wees, in teenstelling met 'n geheim by die universiteit of 'n geheim in die staatsdiens. Nou, hierdie tipe geheime is dan eintlik vertroulike inligting en hy het verduidelik welke beskerming vertroulike inligting in die reg geniet. Dit kry sy beskerming in die kontraktereg wat nie bespreek is nie maar ook in die deliktereg. Hy het al die veristes uitgespel waaraan die inligting moet voldoen om beskermingswaardig te wees. Hy het voorts twee besondere probleemgevalle behandel, naamlik

die een van meerdere reghebbendes en die geval van die werknemer. Soos ons weet, kan twee persone dieselfde briljante gedagte kry en ons weet ook dat twee persone dan albei die vrugte van hul briljante ingewing behoort te kan kry, niteenstaande dat daar 'n subtile vermoede kan wees dat dit nie onafhanklik verkry is nie. Die geval van die werknemer is werklik problematies, want waar hou die kennis van die werknemer op en begin die geheim van die werkgewer? Mnr Knobel het nie 'n antwoord probeer gee nie, maar hy het darem duidelik laat verstaan dat dit 'n probleem is. Hy het dan ook die verskillende remedies behandel en die onderwerp sodoende funksioneel vir ons voltooi.

Die volgende onderwerp, die laaste voor die middagete, was dié van prof Esmé du Plessis, waar sy ingegaan het op die statutêr beskermde immaterieelgoedereregte en onregmatige mededinging. Sy het ten aanvang sekere opmerkings gemaak oor die geaardheid van die regte en dit het ook vrae ontlok; daar was dus tog wel 'n belangstelling in die teoretiese grondslag van hierdie tipe regte. Ek dink 'n miens sou haar bydrae kon saamvat deur die woorde dat ons reg geen *numerus clausus* beskermde immaterieelgoedere-regte het nie en dat die dag sal kom dat daar nog meerdere sal wees. Die statuutreg kan gewysig word om hulle te skep en dit kan ook wees dat die houe hulle skep. Sy het op interessante voorbeelde gewys ten aansien van die nywerheidsontwerp, waar die outeursreg so vertolk is dat daar beskerming verleen is, maar ook uitgewys dat die outeursreg 'n identiese beskerming in die mededingingsreg het. Verder het sy ook uitgewys hoe die regters, deur die inisiatief te neem, wetgewing so vertolk het dat beskerming van die outeursreg en beskerming van die patentreg wesenlike beskerming verleen het op die terrein van die immaterieelgoederereg. En dan, ten slotte, het sy ingegaan op gevalle waar daar geen mededinging is nie, die sogenaamde *Lorimar*-geval (1981 3 SA 1129 (T)) (die geval van Dallas en verwante name). Sy het dan ook hierdie as 'n onregstreekse aantasting van die werfkrag of prestasieaanklamping behandel en uiteengesit. Ten slotte was sy van mening dat dit 'n kwessie van beleid is dat beskerming nie net wenslik is nie, maar dat dit noodsaaklik is om ontwikkeling nie te strem nie.

Na 'n heerlike middagete het ons begin met die voordrag van dr Owen Dean. He had the most attractive topic — that of comparative advertising. I can remember watching a television show one night where a big PEPSI COLA lorry came past the screen and then, when it stopped, the driver got out and went to the fridge and took out a bottle of COKE. Now, what is important, is not that it happened or was seen by me, but what my reaction was. What

did I think about the admissibility of this sort of advert. And that, I think, is the whole point of his address. He discussed the question of the protection that a person enjoys under the Trade Marks Act, and the protection one enjoys under the common law. Under the Trade Marks Act it is very clear. There is a section in the act, rightly or wrongly, which gives you absolute protection and no one has suggested, except perhaps the one questioner, that this act should be amended to allow comparative advertising. What of the common law? Dr Dean's conclusion was after the consideration of all the relevant legal criteria in which the ASA Code played an important part, that the *boni mores* in South Africa are not in favour of comparative advertising and that it should be considered unlawful. Obviously, this is a conclusion with which everybody does not agree, but my own gut feeling is that he is right and I would not like to see the above-mentioned advert on the South African screens. As a matter of fact, we have several which can also, for the same reason, be taken off.

The last address was that of our friend, Dr Pierre Brooks, a former colleague of the legal fraternity at Unisa, who went into the mechanisms of the Competition Act and its relationship with unfair competition. Well, maybe that was an unhappy choice of a word — “unfair” competition — since the Competition Act has nothing to do with unfair competition. He pointed out that the act has a certain purport and he explained exactly how the act works and what its intention is and he compared our system to the systems in other countries. And then he concluded by saying that we have some special characteristics in our competition law, one of which is its duality, the duality being the public sector law and the private sector law and that the two are completely independent of one another; but the public law — that is the minister — does not have to take the private law into account if they consider it does not reflect the *boni mores* of the community; but if it does, I think they would. It also appears that competition law is still in the initial stage of its operation. It also appears that it is fairly dynamic and I believe that if there are problems, they will amend the law to take care of it.

That, I hope, ladies and gentlemen, has reminded you of what you have listened to. But obviously there will be points that I have lifted out which were unimportant to you. They may have been important to me, but there will be points that you would have considered that were very important. You are lucky that you have something to take away with you.

Prof Neethling:

Baie dankie, prof Joubert, vir 'n kort, bondige, maar ek dink uitmuntende samevatting. Dames en here, daarmee het ons aan die einde van vandag se verrigtinge gekom. Net 'n laaste woord van hartlike dank aan al die sprekers wat deelgeneem het, aan almal wat vandag toegemoet en geluister het, vrae gestel en kommentaar gelewer het. Elkeen se bydrae, dink ek, het bygedra om 'n sukses van die verrigtinge te maak. Baie dankie.