

Martin Johnson (Pty) Ltd v Cardello Footwear Manufacturers CC
[1999] 3 All SA 81 (N)

Division: Natal Provincial Division
Date: 6 January 1999
Case No: 4212/98
Before: Page J
Sourced by: A Van Zyl
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Intellectual property rights - Unlawful competition - Application for interdict - Failure to show inventiveness - Copying of a rival's product, which does not enjoy any statutory protection, does not per se amount to unlawful competition - Whether such copying would amount to unlawful competition depends on a number of factors including the initial investment of time, labour and money in the product, its originality and its commercial success, the ease with which it was copied, the technical and commercial feasibility of product differentiation, and the economic sense or nonsense of requiring investment in redesigning a satisfactory product from scratch.

Editor's Summary

Both the Applicant and Respondent were footwear manufacturers which designed and produced footwear for sale to retail outlets. The Applicant brought an application against the Respondent for an order restraining the latter from utilising certain lasts and patterns, in which the Applicant claimed proprietary rights, in the manufacture of its footwear, together with certain ancillary relief in the form of delivery up of certain allegedly offending items.

Held - The main issue before the Court was whether the Applicant was entitled to any interim relief pending the final determination of the application. The

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Court was required to consider firstly, whether the Applicant had established the requisite clear right or a right which, if not clear, has been *prima facie* established though open to some doubt. Secondly, even if such a right has been established, the Court had to be satisfied that the balance of convenience favoured the granting of an interim order.

The Applicant argued that it had established a right to prevent the Respondent from using the lasts on the basis that such use would constitute an unlawful exploitation by the Respondent of the fruits of the Applicant's labour and ingenuity and as such would amount to unlawful competition. According to the judgment of *Schultz v Butt 1986 (3) SA 667 (A)* the copying of a rival's product, which does not enjoy any statutory protection, does not *per se* amount to unlawful competition. Whether such copying would amount to unlawful competition depends on a number of factors including the initial investment of time, labour and money in the product, its originality and its commercial success, the ease with which it was copied, the technical and commercial feasibility of product differentiation, and the economic sense or nonsense of requiring investment in redesigning a satisfactory product from scratch.

Applying these principles *in casu* the Court found that the Applicant had failed to establish that which was allegedly copied was the product of any significant inventiveness or labour on its part. On the contrary, it appeared to be a basic utilitarian design in general use and without any unique features whatsoever. The Court considered the prevalence in the footwear industry of copying the products of another and concluded that the Respondent's conduct was not so reprehensible that it should be labeled as unlawful competition. The Applicant was accordingly not entitled to any interim relief in respect of the lasts. However the Court ordered that the Respondent be interdicted and restrained from utilising certain of the Applicant's patterns.

The application was accordingly adjourned *sine die*.

Notes

For Unlawful Competition, see *LAWSA* Re-issue (Vol 376-408)

Cases referred to in judgment

("C" means confirmed; "D" means distinguished; "F" means followed and "R" means reversed.)

Schultz v Butt 1986 (3) SA 667 (A) - F

Judgment

PAGE J: The applicant is a footwear manufacturer which designs and produces footwear for sale to retail outlets. The respondent conducts a similar business, admittedly in competition with the applicant.

The applicant has brought an application against the respondent for an order restraining the respondent from utilising certain lasts and patterns, in which the applicant claims proprietary rights, in the manufacture of its footwear, together with certain ancillary relief in the form of delivery up of certain allegedly offending items.

The applicant also claims interim relief pending the decision of the application in the form of a temporary interdict. The respondent resists the application and

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has filed a reply aimed primarily at opposing the claim for interim relief and reserves its right to file an amplified affidavit in reply to the main claim when it has had the opportunity properly to prepare such affidavit. The present judgment is concerned only with the claim for interim relief.

The founding affidavit contains a description of the process whereby footwear of the type in question is designed and manufactured. The deponent frankly admits that the applicant searches through the relevant publications for pictures of footwear designs which it considers promising and which it uses as a basis for its own product. The design for its product is built up around a plastic foot form known as a last which is thereafter also utilised in the manufacturer of the product. New designs are mostly formed around existing lasts although, in some instances, a new last will be designed for a new range of footwear. The lasts are manufactured by specialised last makers and bear identifying markings.

The process of constructing a design on the last is also fully described but in the light of developments during the hearing, it is not necessary to set it forth in this judgment.

The deponent further testified that applicant caused to be manufactured for it by a last maker called Fancyform, *inter alia*, two lasts identified by the names "Mary A" and "Deckrider" which it used to manufacture women's and men's moccasins respectively. No details are given as to who designed these particular lasts or what skill, labour or expense (if any) was involved in doing so. The deponent contented himself with a bald statement that "a last that has been designed by a footwear manufacturer is for their (*sic*) exclusive use only unless permission has been granted for a competitor to use such last". No distinctive or unique features of the lasts in question other than the markings already mentioned are claimed by the deponent and it is clear from a reading of the founding affidavit as a whole that its claim to exclusivity is based upon the pattern of the shoe built around the last and not the last *per se*. This is expressly stated in paragraph 8 of the affidavit where the deponent says "the key to the entire shoe is the pattern which is designed by a pattern cutter and which produces a standard. No standards are the same because even beginning with the same last, no two designers will produce an identical pattern".

The case sought to be made out by the applicant in respect of the lasts is that the respondent is utilising the lasts manufactured for it by a last maker called John Whittle Components, copied from the "Mary A" and "Deckrider" lasts. It also attempted to make out that the respondent must have caused samples of these lasts to be stolen from the applicant by its employees to be utilised for that purpose but the evidence which it adduced in support of this allegation was wholly insufficient to prove it and I will disregard it.

The evidence relating to the copying of the lasts was, briefly, the following. The respondent had ordered from John Whittle 60 pairs of a last design known as "Penny's L" and 65 pairs of a design called "Penny's M" to be manufactured from a model supplied by the respondent. An inspection at John Whittle's premises revealed that one of the lasts furnished by the respondent as a model bore a faint stamp of the name "Mary A" and the other had no name but was of a similar configuration to the "Deckrider" last.

In response to these allegations the respondent states in its answering affidavit that the lasts which it admittedly supplied as models to John Whittle were indeed originally manufactured for the applicant but were some of a number of lasts which were scrapped by the applicant some two years previously as a result of a fire which devastated its factory premises. They were purchased by the

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respondent as part of a lot of scrapped lasts from Chick's Scrapyard and the respondent was unaware of their origin. It was accordingly alleged that the applicant had abandoned whatever proprietary rights it may have had in the lasts in question.

Dealing with the claim that applicant enjoyed some form of intellectual property right in the design of the lasts, the deponent to the answering affidavit, who is, as manager of the respondent firm, in a position to testify as to conditions in the trade, states that a last is simply a functional tool used in the manufacture of footwear and follows the general shape of the human foot. Its dimensions are dictated by the overall general dimensions of the "base upper" to be used in the shoe to be designed around it. The critical aspect of the shoe manufacture, however, lies in the design and not in the last.

This testimony is confirmed by a shoe designer, Mr Bux, who designed moccasin type shoes for the respondent on lasts furnished to him by the respondent and which were apparently those or copies of those supplied to the last maker as a model. Bux described these lasts as a commonly found and even classic shape for moccasins. He said there was nothing unusual or distinctive about them and that they were virtually identical to the shape of lasts which he had encountered elsewhere in the footwear industry.

When the matter came before me on 22 December, it was argued in the first place by counsel for the respondent that it was not of sufficient urgency to warrant having been brought as an urgent application; that the respondent had been prejudiced by the short time afforded to it to deal with the allegations against it, and that the application should accordingly be dismissed. I do not propose to deal with the history of the matter in any detail; suffice it to say that although the applicant's conduct in bringing these proceedings was not as expeditious as it could have been, I do not think that it was so dilatory that I should penalise it by dismissing them out of hand. The prejudice to

the respondent can be cured by the opportunity (which it now has) of amplifying its answering affidavits and it seems pointless, when the proceedings have already reached this advanced stage, to require that they should be commenced *de novo*.

The main argument before me centred around the question of whether the applicant was entitled to any interim relief pending the final determination of the application. During the course of argument, counsel for the respondent indicated that the respondent would be prepared to agree to an interim order interdicting it from using the patterns to which the applicant laid claim, subject to certain limitations in the form of the order, as it had no intention of using them. It was made clear that this concession was tendered without any admission that the respondent's conduct or contemplated conduct was unlawful in any way. It was accordingly only necessary for me to decide whether interim relief should be granted in respect of the use of the lasts.

The question of whether I should grant the interim relief sought depends firstly, on whether the applicant has established the requisite clear right or a right which, if not clear, has been *prima facie* established though open to some doubt. Secondly, even if such a right has been established, I must be satisfied that the balance of convenience favours the grant of the relief sought before making an interim order.

Counsel for the applicant contended that it had established a right to prevent the respondent from using the lasts on the basis that such use would constitute an unlawful exploitation by the respondent of the fruits of the applicant's labour and ingenuity and as such amount to unlawful competition of the type dealt

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with in *Schultz v Butt* [1986 \(3\) SA 667](#) (A). The principles there enunciated are too well-known to merit repetition. What emerges clearly from the decision is that the copying of a rival's product, which does not enjoy any statutory protection, does not *per se* amount to unlawful competition. Whether it will be stigmatised as such depends on a number of factors including the initial investment of time, labour and money in the product, its originality and its commercial success, the ease with which it was copied, the technical and commercial feasibility of product differentiation, and the economic sense or nonsense of requiring investment in redesigning a satisfactory product from scratch (see page 683A-C). The conduct of the copier in obtaining the matter copied can also be taken into account.

In the present case the applicant has, in my view, failed to establish that which was allegedly copied was the product of any significant inventiveness or labour on its part. On the contrary, it appears to be a basic utilitarian design in general use and without any unique features whatsoever. Bearing in mind the prevalence in the footwear industry of copying the products of another (to which the applicant itself testifies) I think it most unlikely that any court, applying the criterion of the *boni mores* in the industry in question, would come to the conclusion that the respondent's conduct was so reprehensible that it should be stigmatised as unlawful competition.

Even if I am wrong in this conclusion, it seems to me that the balance of convenience militates against the grant of the relief sought. In view of the fact that interim relief is being granted in respect of the shoe patterns to which the applicant lays claim, the damage which it can anticipate suffering from the utilisation of the lasts to produce shoes of a pattern differing from its products is unlikely to be serious. On the other hand, to prevent the respondent from marketing shoes of a different design simply because that design has been built around lasts copied from those of the applicant will necessitate its redesigning those models around other lasts and must necessarily result in a substantial setback in its production plans. In the premises I do not think that the applicant is entitled to any interim relief in respect of the lasts.

I accordingly make the following order:

1. Pending the final determination of this application, the respondent is interdicted and restrained from utilising applicant's patterns numbers 5933, 5233, 5902 and 5202 or any copy thereof in its manufacturing process.
2. The application is adjourned *sine die*.
3. The costs of today's hearing are reserved for decision by the court finally adjudicating upon the application.

For the applicant:

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For the respondent:

G Morley instructed by *Cajee Essa Ismail & Thejpal*, Pietermaritzburg