



## THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

### MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

**FROM** The Registrar, Supreme Court of Appeal  
**DATE** 1 September 2016  
**STATUS** Immediate

*Please note that the media summary is for the benefit of the media and does not form part of the judgment.*

**Joest v Jöst (319/2015 & 324/2015) [2016] ZASCA 110 (1 September 2016)**

#### **MEDIA STATEMENT**

Today, the Supreme Court of Appeal (SCA) dismissed an appeal by Joest (Pty) Ltd (J) and upheld a cross-appeal by Jöst GmbH + KG (Jöst) against an order by the Gauteng Division of the High Court, Pretoria. Accordingly, the SCA confirmed the expungement from the trade mark register of J's registered trademark 'JOEST' and granted certain ancillary relief to Jöst.

It was common cause that the marks 'JOEST' and 'JÖST' were confusingly similar. The issue before the SCA was therefore which party was entitled to proprietorship of the mark.

The facts of the matter were as follows. Jöst is a German company which designs and manufactures machines used in inter alia the mining industry. It operates in a number of different countries through locally incorporated subsidiaries, nearly all bearing either the 'JÖST' or 'JOEST' mark. 'Jöst' is the surname of one of the co-founders of the company, and 'Joest' is the English spelling of the same name. One local subsidiary was a South African company incorporated in 1976, originally named Joest Vibration Technics (South Africa) (Pty) Ltd (JV).

In 1989, Jöst sold 75 per cent of the shares in JV to the present owners of J, and in 1996 the remaining 25 per cent was sold to them. Simultaneously, licensing manufacturing agreements were entered into in terms of which the South African company was permitted to use the know-how of Jöst in designing and manufacturing machinery. Subsequently, there was some corporate restructuring of the South African business and ultimately J came into being. The commercial relationship between

Jöst and JV (and later J) remained the same throughout this period, and the South African company continued to import machinery and used the know-how of Jöst in its own designs and manufacturing.

In 1996, Mr Gunter Vogel, one of the owners of JV (and later J), registered the 'JOEST' trademark in his own name, and thereafter assigned it to J. Subsequently, Jöst registered the trademark 'JÖST'.

J claimed that proprietorship of the JOEST/JÖST mark vested in it, either because (i) it had acquired proprietorship when Jöst had divested itself of its shares in JV; or (ii) because it had designed and developed machinery in its own right, and so had built up its own reputation to the name. The SCA rejected both these arguments.

With regard to the first argument, as noted, the commercial relationship between the South African company and Jöst had not changed following the sale in shares. Therefore, there was no basis to claim that Jöst had divested itself of its proprietorship of the mark at the same time as it had sold its shares in JV.

With regard to the second argument, the SCA held that if J had wrongly attached the mark to its own products without the knowledge of Jöst, far from acquiring proprietorship of the mark in its own name, it could be accused of passing off or infringing the provisions of s 34 of the Trade Marks Act 194 of 1993.

In addition, the SCA held, there was a further difficulty. As the initial registration of the 'JOEST' mark was by Mr Vogel personally, and he had no basis to assert proprietorship over the mark, the initial registration was flawed and he could not have validly assigned the mark to J.

Accordingly, the SCA held that proprietorship of the JOEST/JÖST mark at all times remained with Jöst, and upheld the relief claimed by Jöst.