



**THE SUPREME COURT OF APPEAL OF SOUTH AFRICA  
JUDGMENT**

**Reportable**

Case no: 1037/2019

In the matter between:

**MILESTONE BEVERAGE CC**

**FIRST APPELLANT**

**THE TRUSTEES FOR THE TIME BEING  
OF THE T AND S HAUPT FAMILY TRUST**

**SECOND APPELLANT**

**SEAN PETER HAUPT**

**THIRD APPELLANT**

and

**THE SCOTCH WHISKY ASSOCIATION**

**FIRST RESPONDENT**

**CHIVAS BROTHERS LTD**

**SECOND RESPONDENT**

**CHIVAS HOLDINGS (IP) LTD**

**THIRD RESPONDENT**

**PERNOD RICARD SOUTH AFRICA (PTY) LTD    FOURTH RESPONDENT**

**Neutral citation:** *Milestone Beverage CC and Others v The Scotch Whisky Association and Others* (1037/2019) [2020] ZASCA 105 (18 September 2020)

**Bench:** PONNAN, MAKGOKA and SCHIPPERS JJA and SUTHERLAND and POYO-DLWATI AJJA

**Heard:** 26 August 2020

**Delivered:** This judgment was handed down electronically by circulation to the parties' representatives by email, publication on the Supreme Court of Appeal website and release to SAFLII. The date and time for hand-down is deemed to be 10:00 am on 18 September 2020.

**Summary:** Unlawful competition – false misrepresentation as to the character, composition or origin of product – trade in such products in contravention of the Liquor Products Act 60 of 1989.

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## ORDER

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**On appeal from:** Gauteng Division of the High Court, Pretoria (Kubushi J sitting as court of first instance):

- (a) The appeal is dismissed with costs, including those of two counsel.
- (b) The order of the court below is replaced with the following:

‘1. The First, Second, Third, Fourth, Fifth and Sixth Respondents (the Respondents) are interdicted and restrained from –

- 1.1 Selling, offering for sale, promoting, marketing or distributing, products with the get-up and/or labels, or using in the course of trade or otherwise, the get-up and/or labels, or similar get-up or labels to those illustrated in the documents at A1, A2, B1 and B2 hereto (the 'offending trade dress'); and
- 1.2 using in any manner in the course of trade or otherwise the name or description 'whisky', 'whiskey' or any derivation thereof in relation to any product that does not satisfy the statutory requirements for whisky;
- 1.3 representing a product to be whisky or to have a connection to whisky or to be in any manner related to whisky when it is not so;
- 1.4 using in any manner in the course of trade, or otherwise, the words 'Scotch', 'Scotland', 'Scottish' or any word or phrase of which 'Scotch', 'Scotland', 'Scottish' is a part or labels and representations which include insignia or any other representation evocative of Scottish origin in relation to any liquor product which has not been wholly manufactured or produced in Scotland.
2. The Respondents are interdicted and restrained from representing, directly or indirectly, that any product bottled, sold, marketed, distributed or otherwise made available by them –
  - 2.1 is whisky or whisky-flavoured, when it is not whisky;
  - 2.2 is whisky-flavoured when it is not;
  - 2.3 has an alcohol per volume content of 43% or 43.5% or higher, when it does not;
  - and
  - 2.4 is Scotch Whisky, when it is not.
3. The Respondents are interdicted and restrained from –
  - 3.1 trading in unlawful competition with the Applicants by dealing in the course of trade or otherwise in liquor products –
    - 3.1.1 represented as whisky or whisky-flavoured when they are not;
    - 3.1.2 represented as Scotch Whisky when they are not;
    - 3.1.3 or in products sold under any of the offending trade dress;
    - 3.1.4 represented as having an alcohol per volume content other than the actual alcohol per volume content of the product;
4. The Respondents are interdicted and restrained from trading in unlawful competition with the Applicants in contravention of the Liquor Products Act No. 60 of 1989 by –

- 4.1 using in the course of trade or otherwise, in relation to any product, the offending trade dress; or
  - 4.2 using the words 'whisky', 'whiskey', 'whisky flavoured' or any other derivation thereof in relation to any product which is not whisky, or
  - 4.3 using the word 'Scottish' or representations of Scottish, insignia or emblems in relation to any product which is not Scotch Whisky; or
  - 4.4 representing any products to be whisky-flavoured; or
  - 4.5 representing any product to have an alcohol per volume content other than the actual alcohol per volume content.
5. The Respondents are ordered to destroy or to procure the destruction of all the products or advertising material containing any of the offending matter referred to above within 14 days of the date of this order and to satisfy applicants' attorneys that such destruction has been carried out.
6. In the event of the Respondents failing to comply with paragraph 5 hereof within twenty (20) days of the date of this order, the Sheriff of this Court is authorised to attach and seize wherever (s)he may find same and deliver up to the Applicants' attorneys for destruction any sachets, bottles, labels, cartons, catalogues, packaging, promotional material or other materials which are in breach of the aforesaid orders.
7. In the event of the Respondents failing to comply with paragraph 5 hereof within twenty (20) days of the date of this order, the Seventh Respondent is authorised and directed in terms of sections 11(1), (2) or (3) or 12(1) of the Liquor Products Act No. 60 of 1989 to seize and remove, alternatively instruct his administering officer to seize and remove, wherever same may be found, all the offending products (including the liquor products and their containers, packaging and labelling). All products seized and removed shall be held by the State pending prosecution of the Respondents for contraventions of the Liquor Product Act 60 of 1989.
8. The respondents are ordered, jointly and severally, to pay the costs of the application.'

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## JUDGMENT

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**PONNAN JA (MAKGOKA and SCHIPPERS JJA and SUTHERLAND and POYO-DLWATI AJJA concurring):**

[1] Whilst competition in trade is healthy and to be encouraged, it ‘must be carried on by means that are fair, rather than foul, or – more correctly – by means which are lawful rather than unlawful’.<sup>1</sup> To borrow from Corbett J: ‘Though trade warfare may be waged ruthlessly to the bitter end there are certain rules of combat which must be observed. The trader has not a free-lance. Fight he may, but as a soldier, not as a guerrilla.’<sup>2</sup>

[2] In this matter the respondents contend that the appellants, in misrepresenting the character, attributes and provenance of their goods, have carried on their trade by means which are unlawful rather than lawful. The application, the subject of the appeal, concerns the manufacture and distribution by the appellants, who are related entities, of two alcoholic beverages. But for the differing get-up, the products, which have been produced in the same production process, are in all respects identical. Each was initially presented in the following get-up (the initial get-up), one in the name Royal Douglas and the other King Arthur.

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<sup>1</sup> Per Berman J in *William Grant & Sons Ltd and Another v Cape Wine & Distillers Ltd and Others* 1990 (3) SA 897 (C) at 915.

<sup>2</sup> *Dun and Bradstreet (Pty) Ltd v SA Merchants Combined Credit Bureau (Cape) Pty Ltd* 1968 (1) SA 209 (C) at 219 C-D.



[3] As is evident from the above: The entire Royal Douglas label consists of a red, black and gold tartan-patterned background. The Royal Douglas mark, which is printed in large capital letters, is the most prominent text on the label. The name ‘James Douglas & Co’ is printed above the Royal Douglas Mark and also appears as part of the phrase ‘A product of James Douglas & Co South Africa’. In addition, the expressions ‘Premium Quality’, ‘Whisky Flavoured’, ‘Spirit Aperitif’ and ‘Double Distilled’ appear on the label. The King Arthur mark is printed in large letters and is the most prominent text on the label. As with the Royal Douglas label, the words or phrases ‘Premium’, ‘Whisky Flavoured’, ‘Spirit Aperitif’ and ‘Double Distilled’ also appear on the King Arthur label.

[4] The first respondent, the Scotch Whisky Association (the SWA), which traces its origins back to 1912, when the first Association to represent and protect Scotch whisky was formed, is the trade association of the industry. The SWA was incorporated in 1960 under the 1948 Companies Act of the United Kingdom. The objects of the SWA are, inter alia, to protect and promote the interests of the Scotch

whisky trade generally and to prosecute, defend and enter into legal proceedings in any territory of the world in defence of the interests of the Scotch whisky trade.

[5] Members of the SWA produce 95% of the Scotch whisky sold worldwide. The SWA has a significant interest in the South African whisky market, in that virtually all of the well-known Scotch whisky brands sold in this country are owned by its members. The second respondent, Chivas Brothers Limited, a company incorporated under the laws of Scotland, is the producer and supplier of a number of Scotch whisky brands sold in South Africa. The third respondent, Chivas Holdings (IP) Ltd, is the owner of the intellectual property and goodwill attaching to the second respondent's Scotch whisky brands. The fourth respondent, Pernod Ricard South Africa (Pty) Ltd, a South African company, is the appointed exclusive distributor of the second respondent's products in this country.

[6] The respondents' case is that the appellants project an undoubted Scottish provenance for their products, which, so it is asserted, they misrepresent as Scotch whisky, alternatively whisky. During 2013, the respondents' attorney became aware of a Trade Mark application in the name of the Thistle Trust (the Thistle Trust) for Royal Douglas whisky in Class 33 in respect of 'Alcoholic beverages (except beers)'. That application is still pending on the Trade Marks Register. On 23 July 2015 the attorney learnt of a further application, also for Royal Douglas, in the name of the second appellant, the T and S Haupt Family Trust (the Haupt Family Trust). The attorney accordingly issued a letter of demand on 31 July 2015 seeking an undertaking from the Haupt Family Trust that the specification for the application will be limited to 'Alcoholic beverages, including distilled spirits but insofar as whisky and whisky-based products are concerned, only Scotch Whisky and Scotch

Whisky based products produced in Scotland’. On 31 August 2015, the third appellant, Mr Sean Peter Haupt (Mr Haupt), responded to the letter of demand on a letterhead of the first appellant, Milestone Beverage CC (Milestone). The response, which was signed by Mr Haupt, stated:

‘ . . . Royal Douglas will also not be marketed and sold as a Scotch whisky, imported whisky or a South African whisky, this product is currently being sold and marketed as a vodka base with flavours, colours and sugars and falls under our classification “Spirit Aperitif”.’

[7] Despite the undertaking, the respondents’ attorney discovered that as at 21 August 2015, Milestone was, in fact, still selling and marketing the Royal Douglas product as a whisky on its website. On 5 September 2015 the attorney came to learn that Royal Douglas was still on sale in a liquor retail store and in the light thereof sought a further undertaking from Mr Haupt. In response, on 14 September 2015 Mr Haupt undertook:

‘[N]ot to use or cause or permit to use of the trademark ‘ROYAL DOUGLAS’ or any mark incorporating the combination of the words ‘ROYAL’ and ‘DOUGLAS’ in relation to any whisky or whisky based products unless they are wholly produced in Scotland.’

He added:

‘This undertaking will be communicated to and will be made binding on our authorized users, successors and assignees in title, and will inure to the benefit of your successors and assignees in title.’

[8] According to the respondents’ attorney, it was nonetheless still possible to thereafter purchase the Royal Douglas product. Consequently, on 16 March 2016 a further demand was made that any of the products currently in the market be recalled and an undertaking was sought that Scottish names or insignia on whisky products other than Scotch whisky will not be used. The response on 8 June 2016 was to deny



that the Royal Douglas and King Arthur products are whisky-based or that the products make any false, misleading or deceptive representations, but it was intimated that the name ‘James Douglas & Co’ would be removed from the label and that the tartan-patterned background would ‘likely’ be amended ‘by changing the colours and possibly changing the pattern’.

[9] On 20 July 2016 the respondents’ attorney wrote, pointing out that it had been more than a month since the undertaking, but that the concerns raised still remained unaddressed, accordingly ‘fixed commitments’ were sought. The response was that a revised label was awaited, which would be forwarded shortly. On 1 August 2016 the appellants’ attorney wrote: ‘we annex a copy of our client’s revised ROYAL DOUGLAS label, as requested. You will note that our client has removed the words, James Douglas & Co and have also changed the background of the label’. However, on 19 September 2016, more than three months after the first undertaking to amend the label of the Royal Douglas product had been given, it was discovered that the product was still on sale with the old label. What is more, some six months later, the Royal Douglas product was still available in the market and was continuing to be promoted on Milestone’s website as a whisky product under the same label and initial get-up. The product was advertised in this fashion on the website:



It is plain that the word ‘Whisky’ was positioned in such a way as to constitute the dominant description of the product.

[10] The respondents thus felt compelled to institute application proceedings out of the Gauteng Division of the High Court, Pretoria on 18 January 2017.

Milestone, Waynel Distributors CC (Waynell), the Trustees of the Thistle Trust, the Trustees of the Haupt Family Trust (namely, Mr Haupt and his mother, Ms Celeste D Haupt (Ms Haupt)) and the Minister of Agriculture, Forestry and Fisheries, were cited respectively as the first to seventh respondents. No relief was sought against the Minister. Milestone and Waynell were cited as respondents because they had been listed, amongst others, as parties responsible for the production, distribution or sale of the Royal Douglas product. Asserting that the Trusts are not capable of holding a trademark application, the respondents cited the Trustees for the time being of each Trust. The application was opposed by Milestone, the Haupt Family Trust and Mr Haupt. The remaining respondents did not participate in the proceedings.

[11] In support of the application it was stated:

‘[63] The Respondents’ conduct displays an obvious continuous intention to unlawfully pass liquor products off as whisky when they are not and further to take advantage of the well-known Scottish reputation in relation to whisky products. . . .

. . .

[85] The overall impression created by the ROYAL DOUGLAS label, namely that the product is a whisky and even a Scotch Whisky, is false and misleading. The label has been designed to and does convey the idea of Scottish origin. The tartan pattern and the name ROYAL DOUGLAS are dominant on the label. Scotland, after all, has a worldwide reputation for the production of whisky. In placing this label on a product resembling whisky, the First Respondent sets out to bring itself as close, not only to Scotland, but to whisky as it could possibly get.

[86] The offending KING ARTHUR name and ROYAL DOUGLAS name and label conveys the idea and concept of United Kingdom and/or Scottish origin. This is done to create the impression that the product is whisky and, in particular, that it is Scotch Whisky. When marketed to the public as whisky (for example, through the First Respondent’s website), the representation that the product is whisky and even Scotch Whisky, is complete.’

[12] The application succeeded before Kubushi J, who issued the following order on 4 March 2019:

‘1. The First, Second, Third, Fourth, Fifth and Sixth Respondents are interdicted and restrained from –

1.1 Selling; offering for sale; promoting; marketing or distributing, products with the get-up and/or labels, or using in the course of trade or otherwise, the get-up and/or labels, or similar get-up or labels to those illustrated in the documents at A1, A2, B1 and B2 hereto (hereafter the “offending trade dress”); and

1.2 using in any manner in the course of trade or otherwise the name or description “whisky”, “whiskey” or any derivation thereof in relation to any product that does not satisfy the statutory requirements for whisky;

1.3 representing a product to be whisky or to have a connection to whisky or to be in any manner related to whisky when it is not so;

1.4 using in any manner in the course of trade, or otherwise, the words “Scotch”; “Scotland”; “Scottish”; or any word or phrase of which “Scotch”; “Scotland”; “Scottish” form part, or labels and representations which include insignia or any other representations evocative of Scottish or UK origin in relation to any liquor product which has not been wholly manufactured or produced in Scotland.

2. The First, Second, Third, Fourth, Fifth and Sixth Respondents are interdicted and restrained from representing, directly or indirectly, that any product bottled, sold, marked, distributed or otherwise made available by them –

2.1 is whisky or “whisky flavoured” when it is not whisky;

2.2 is whisky flavoured when it is not so;

2.3 has an alcohol content of 43% or 43.5% or an alcohol content level in excess of 43% when it does not have an alcohol level content of 43% or more;

2.4 is Scotch Whisky when it is not Scotch Whisky.

3. The First, Second, Third, Fourth, Fifth and Sixth Respondents are interdicted and restrained from –

3.1 trading in unlawful competition with the Applicants by dealing in the course of trade or otherwise in liquor products –

- 3.1.1 represented as whisky or “whisky flavoured” when they are not whisky;
- 3.1.2 represented as Scotch Whisky when they are not scotch Whisky;
- 3.1.3 or in products sold under any of the offending trade dress;
- 3.1.4 represented as having an alcohol level content other than the actual alcohol level content of the product;
- 3.2 passing off any liquor product as whisky or “whisky flavoured” when it is not whisky, or as Scotch Whisky when it is not Scotch Whisky; or any product sold under any of the offending trade dress.
- 4. The First, Second, Third, Fourth, Fifth and Sixth Respondents are interdicted and restrained from trading in unlawful competition with the Applicants through contravening Section 41 of the Consumer Protection Act No. 68 of 2008 or Sections 11 and/or 12 of the Liquor Products Act No. 60 of 1989 by –
  - 4.1 using in the course of trade or otherwise, in relation to any product, the offending trade dress;
  - 4.2 using the words “whisky”, “whiskey”, “whisky flavoured” or any other derivation thereof in relation to any product which is not whisky, or by
  - 4.3 using the word “Scottish” or representations of Scottish or UK origin, insignia or emblems in relation to any product which is not Scotch Whisky; or by
  - 4.4 representing any products to be whisky flavoured; or by
  - 4.5 representing any products to have an alcohol content other than the actual alcohol content.
- 5. The First, Second, Third, Fourth, Fifth and Sixth Respondents are ordered to deliver up for destruction to the Applicants’ attorneys within seven (7) days of the granting of this Order any sachets, bottles, labels, cartons, catalogues, packaging, promotional material or other materials which are in breach of the aforesaid Orders or with any of the offending trade dress or trade dress similar thereto in their possession or under their control.
- 6. The First, Second, Third, Fourth, Fifth and Sixth Respondents are ordered to discover and make available for inspection by the Applicants within 14 days of the granting of this Order, all invoices, accounts or other records which show or tend to show the supply to any party, by sale or otherwise, of any product bearing the names ROYAL DOUGLAS and/or KING ARTHUR or with the offending trade dress or trade dress similar thereto or any other product which breaches the terms of the foregoing Orders.

7. In the event of the First, Second, Third, Fourth, Fifth and/or Sixth Respondents not complying with any Orders made in terms of paragraphs 5 and 6 hereof within twenty (20) days of the date of this Order, the Sheriff of this Honourable Court is authorised to –

7.1 attach and seize wherever (s)he may find same and deliver up to the Applicants' attorneys for destruction any sachets, bottles, labels, cartons, catalogues, packaging, promotional material or other materials which are in breach of the aforesaid Orders or bearing the names ROYAL DOUGLAS and/or KING ARTHUR or with the offending trade dress or trade dress similar thereto in their possession or under their control; and

7.2 attach and seize wherever (s)he may find same and deliver up to the Applicants' attorneys all invoices, accounts or other records which show or tend to show the supply to any party, by sale or otherwise, of any product bearing the names ROYAL DOUGLAS and/or KING ARTHUR or with the get-ups or labels bearing the offending trade dress or trade dress similar thereto.

8. The Seventh Respondent is authorised and directed to seize and remove, alternatively instruct his administering officer to seize and remove, wherever he or his office may find same, all the First, Second, Third, Fourth, Fifth and Sixth Respondents' ROYAL DOUGLAS and/or KING ARTHUR products (including the liquor products and their containers, packaging and labelling) as a result of such products being in contravention of Sections 11(1); (2) or (3) or 12(1) of the Liquor Products Act No. 60 of 1989 by using in the course of trade or otherwise, in relation to any products; any of the offending trade dress or trade dress similar thereto.

8.1 All products seized and removed as contemplated in paragraph 8 shall be declared forfeited to the State and liable for destruction by the State, alternatively they shall be held by the State pending prosecution by the State of the First, Second, Third, Fourth, Fifth and Sixth Respondents for contraventions of the Liquor Product Act 60 of 1989.

9. It is directed that an enquiry into the damages suffered by the Applicants as a result of the unlawful behaviour of the First, Second, Third, Fourth, Fifth and Sixth Respondents be held.

10. The First, Second, Third, Fourth, Fifth and Sixth Respondents are ordered to make discovery of the documents contemplated in paragraph 7.2 for the purposes of the enquiry into damages within 30 days of the date of this order.

11. The judgment on costs of the application is deferred for later adjudication.'

[13] The learned judge had deferred for later adjudication her judgment on costs, because on 10 March 2017 the respondents a quo had filed a notice in terms of Uniform rule 34 undertaking ‘not to use Royal Douglas in relation to alcoholic beverages in future, provided that the applicants agree that each party will bear its own costs in relation to the matter, insofar as such costs relate to Royal Douglas (as opposed to King Arthur)’. The rule 34 notice further stated that the:

‘Respondents’ reasons for not tendering the Applicants’ costs, include the following:

1. The relief sought by the applicants is too broad and without any basis in law;
2. The founding affidavit contains a significant volume of information which is both irrelevant and unnecessary; and
3. The Applicants launched an application based on obsolete facts, which at the time of launching the application, were known to the Applicants to be obsolete.’

Those contentions did not find favour with Kubushi J, who, on 27 August 2019, ordered them to pay the costs of the application.

[14] The appeal by Milestone, the Haupt Family Trust and Mr Haupt as the first, second and third appellants respectively (referred to collectively as the appellants), is with the leave of the court below.

[15] The respondents’ case rests on two legs: firstly, misrepresentation by the appellants as to the particular attributes, character, composition and origin of the Royal Douglas and King Arthur products (misrepresentation as to own performance) and secondly, trade in such products in contravention of the Liquor Products Act 60 of 1989 (LPA).<sup>3</sup>

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<sup>3</sup> *Pexmart CC and Others v H Mocke Construction (Pty) Ltd and Another* [2018] ZASCA 175; 2019 (3) SA 117 (SCA) paras 62 and 63.

[16] In South Africa unlawful competition is recognised as an actionable wrong, distinct from that of passing off, fitting comfortably under the umbrella provided by the *Lex Aquilia*.<sup>4</sup> In *Schultz v Butt* 1986 (3) SA 667 (A) at 678F-H it was stated:

‘As a general rule, every person is entitled freely to carry on his trade or business in competition with his rivals. But the competition must remain within lawful bounds. If it is carried on unlawfully, in the sense that it involves a wrongful interference with another’s rights as a trader that constitutes an *injuria* for which the Aquilian action lies if it has directly resulted in loss.’

Unlawfulness is determined according to the objective norm of public policy, being ‘the general sense of justice of the community, the boni mores, manifested in public opinion’.<sup>5</sup>

[17] In *Long John International Ltd v Stellenbosch Wine Trust (Pty) Ltd* 1990 (4) SA 136 (D) at 143G-I, Booysen J had this to say:

‘It follows from what I have said that a person who falsely and culpably represents to the public that his products are products of a particular character, composition or origin known by the public under a descriptive name which has gained a public reputation, without passing them off as the product of the plaintiff, who produces what may be termed the genuine products, and who thereby causes patrimonial loss to the plaintiff, commits the delict of unlawful competition, and is liable in damages to the plaintiff. It follows also that the injured party is entitled to an interdict restraining such conduct where such patrimonial loss has occurred or is likely to be caused. Perhaps I should add that I take the view that where all the above elements are present save that of fault (or culpability), an interdict would still be justified. (Cf *Dunlop (South Africa) Ltd v Metal and Allied Workers Union and Another* 1985 (1) SA 177 (D) at 188G-H.)’

[18] The question is, how a substantial number of the public would perceive the product. What falls to be determined is whether the goods are being marketed in a

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<sup>4</sup> *William Grant & Sons Ltd and Another v Cape Wine & Distillers Ltd and Others* 1990 (3) SA 897 (C) at 915.

<sup>5</sup> *Atlas Organic Fertilizers (Pty) Ltd v Pikkewyn Ghwano (Pty) Ltd and Others* 1981 (2) SA 173 (T) at 188.

way that is likely to lead a significant section of the public to think that those goods have some attribute or attributes which they do not possess, thereby giving rise to confusion, or the likelihood of confusion, in the minds of the public.<sup>6</sup>

[19] The considerable distinctiveness of whisky and Scotch whisky, in particular, is not in dispute. Nor, could it be. In *John Walker & Sons Ltd v Henry Ost & Co Ltd* [1970] 2 All ER 106, the English law principle of extended passing-off was applied to Scotch whisky on the basis that it was a distinctive product with an established reputation and goodwill. It is common cause that the product sold by the appellants is not whisky and that it has no connection to Scotland, or any part of the United Kingdom. That notwithstanding, the initial Royal Douglas get-up is replete with Scottish indicia, including the tartan-patterned background and the use of the name ‘Douglas’ in the brand name, a Scottish clan name that is strongly associated with Scotland and a heavily crested label, thereby indicating a liquor steeped in tradition (in this case, and considering that the liquor is represented to be whisky, the Scotch whisky tradition).

[20] The appellants’ explanation that the name is derived from the first name of Mr Haupt’s grandfather ‘Douglas William Haupt’, and the ‘laudatory term Royal’ was rightly rejected by the court below. The choice of name, is and always has been designed to evoke a Scottish connection. These representations were undoubtedly intended to create a clear and vivid impression on people seeing them, of an association with Scotland. The product was marketed on the appellants’ website as a whisky, and sold as ‘Royal Douglas whisky’ at the retail outlet at which it was

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<sup>6</sup> See *Elida Gibbs (Pty) Ltd v Colgate Palmolive (Pty) Ltd* 1988 (2) SA 350 (W) at 358F-359A; *Erven Warnink BV v J Townend & Sons (Hull) Ltd and Others* [1979] 2 All ER 927 at 932; *John Walker & Sons Ltd v Henry Ost & Co Ltd* [1970] 2 All ER 106 at 114.



purchased and receipts were issued by that outlet for Royal Douglas whisky. The typesetting, use of crests and heraldic symbols apply equally to the King Arthur product. The mythical figure, King Arthur, connotes an association with medieval Britain. No evidence was adduced by the appellants as to how they fixed on the name. Why, one may ask, this name and these heraldic symbols?

[21] Whilst the appellants represent the product to be whisky-flavoured it is, in fact, not so. Indeed, the evidence shows that it would be impossible to achieve such a flavouring (an aspect to which I shall revert). On the appellants' own showing, therefore, the representation that the product is whisky-flavoured is misleading. Such misrepresentation prevents customers from making a proper comparison between the misleading product and that of a competitor, because it is aimed at attracting custom, not on the merits of one's own performance, but by appropriating the semblance of another's (the competitor's) better performance.<sup>7</sup>

[22] In *Diageo North America Inc & Anor v Intercontinental Brands (ICB) Limited & Ors* [2010] EWCA Civ 920, reference was made to the decision in *The Scotch Whisky Association v Glenn Kella Distillers Ltd* [1997] ETMR 470, which was an action to restrain the defendant from selling a drink produced in the Isle of Man called 'white whisky'. The white whisky was made by distilling matured and blended Scotch whisky so as to render it colourless. The issues were whether the product was nevertheless a 'whisky' and, if not, whether the use of the term 'whiskey' was actionable as passing-off. The Court of Appeal held at para 48:

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<sup>7</sup> H J O Van Heerden and J Neethling *Unlawful Competition* 2 ed (2008) at p 148. See also *William Grant & Sons Ltd v Cape Wine & Distillers Ltd* 1990 (3) SA 897 (C) at 915-916.

‘The case is potentially interesting because it covers a type of spirit which is widely produced. The judge held that the product was not entitled to be described as a whisky even though it was made from whisky and tasted of whisky. On the issue of passing-off, he accepted the admission by one of the defendant’s witnesses in cross-examination that there was an “aura” surrounding the word whisky and that it had established reputation and goodwill as a product which could be eroded by the sale of the defendants’ product under the same name.’

[23] A court need go no further than to take a commonsensical approach to the labels and the visual impressions created by them.<sup>8</sup> The first impression on a customer passing through a liquor store is likely to be that each product is a whisky. Acting on that first impression, the average customer is unlikely to scrutinise the product closely. The interplay of the other influencing factors, such as the labelling, the alcohol strength of at least 43% and the expressions ‘premium quality’ and ‘double distilled’, all of which are closely associated with whisky, are likely to combine to create the impression that each is a whisky. Notably, despite the base spirit being vodka, there is no use of any Vodka-associated indicia or geographical regions traditionally associated with vodka, such as Russia. There is, in short, nothing to suggest the true nature of the product being sold and everything to suggest that it is what it is not. There is accordingly much to be said for the respondents’ contention that the appellants’ products and their get-up, will lead a significant section of the public to believe that they have attributes that they do not truly possess.<sup>9</sup>

[24] On 8 February 2018 and subsequent to the issue of the application, the appellants informed the respondents that the old Royal Douglas and King Arthur

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<sup>8</sup> *William Grant & Sons Ltd v Cape Wine & Distillers Ltd* 1990 (3) SA 897 (C) at 913.

<sup>9</sup> *Chocosuisse Union Des Fabricants Suisses De Chocolat v Cadbury Ltd* [1999] RPC 826 (CA).

labels and get-up were no longer in use and had since January 2017 been replaced with the following (the replacement get-up):



[25] However, according to the respondents, the appellants continued to market and offer for sale Royal Douglas in the initial get-up well beyond January 2017. In any event, each replacement get-up remains likely to confuse customers into believing that the product is whisky and even that it has a connection with Scotland, thereby representing that it is Scotch whisky. The appellants persist in the other misrepresentations, concerning alcohol content and whisky-flavouring. In these circumstances and considering the clear attempt on the part of the appellants to derive the maximum advantage from the reputation of whisky and, in particular, Scotch Whisky, it was incumbent upon them, when devising the replacement get-up, to distance their products from any suggestion that they are whisky or that their products are connected with Scotland.

[26] Indeed, as Harms JA pointed out in *PPI Makelaars v PPS Provident Society of South Africa*:<sup>10</sup>

‘ . . . in the light of Mr Jacobs’s unconvincing explanation for the adoption of the name and logo, there is a reasonable apprehension that the “PPS” mark may also be infringed by future conduct. Mr Puckrin in this connection referred us *Broderick & Bascom Rope Co v Manoff* [1930] 41 F (2d) 353 at 354, to which I subscribe: “The due protection of trademarks and similar rights requires that a competitive business, once convicted of unfair competition in a given particular, should thereafter be required to keep a safe distance away from the margin line even if that requirement involves a handicap as compared with those who have not disqualified themselves”.’<sup>11</sup>

[27] The appellants did not so distance the second get-up, which, equally speaks of a desire to benefit from the reputation attaching to whisky and, in particular, its association with Scotland. The labels still bear the crests and the laudatory epithets ‘premium quality’ and ‘double distilled’ are still prominently displayed. Less prominently displayed are the expressions ‘spirit aperitif’ and ‘whisky flavoured’. Both still claim to have an alcohol strength of 43,5%. The replacement Royal Douglas get-up and product: (i) has every appearance of being a whisky; (ii) consists of liquor which has been artificially coloured with caramel to approximate the colour of whisky; (iii) prominently displays the mark Royal Douglas, in lettering of a traditional type setting, appearing with a crest; this once again being designed and calculated to create an appearance of tradition and continuity and (iv) abandons all links to ‘James and Douglas Co’, a company that never existed.

[28] In any event, as at 31 March 2017, when the replying affidavit was deposed to, the appellants’ website was still promoting and advertising Royal Douglas and

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<sup>10</sup> *PPI Makelaars v PPS Provident Society of South Africa* 1998 (1) SA 595 (SCA) at 605.

<sup>11</sup> D B Momberg and A Els ‘The Poisoned Chalice: Trade Dress in South Africa’ (2000) *De Rebus – SA Attorneys’ Journal*.

King Arthur in their original appearance. The website provides access to the Royal Douglas and King Arthur products through a portal named Whisky. The two products are displayed under a prominent Whisky heading, with the phrase ‘Flavoured Spirit aperitif’ in small letters below. The appearance of all the products on that page is evocative of whisky with a Scottish connection. The appellants were evidently still straining to associate their products as closely as possible with whisky and with Scotland and to continue to ride unashamedly on the coat-tails of that reputation and cachet.

[29] It is not without significance that during 2002, SWA obtained an order interdicting amongst others, Mr Haupt’s parents (Mr Pieter Haupt and Ms Haupt) from, inter alia, using the names King Arthur Scotch Whisky or whisky and Scotch whisky in relation to products that do not satisfy the statutory requirements for whisky or that were not wholly produced in Scotland. Having been interdicted from representing the product as a whisky, the King Arthur name is now employed in respect of a whisky-flavoured spirit aperitif. On Mr Haupt’s own version, he has taken over from his father, the late Mr Peter Haupt, the ‘duties of the [Haupt Family Trust]’ and is now responsible for the distribution of the King Arthur product.

[30] In *William Grant*, the abandoning by the defendants of certain advertising material did not avail them. An interdict, preventing them from representing their product as whisky, was nonetheless granted. It was there held:

‘The impression which defendants sought to convey, and which they succeeded in conveying, to the whisky-purchasing and whisky-drinking public, made up of the name, the label and the advertising material, is all of one piece, and a willingness and an undertaking to cease using pictures or descriptions of tartan material, tartan pattern or clothing or apparel which is

traditionally Scottish does not serve to raise from the mind or memory of the public the impression such advertising material has created thereon-the song, as the popular music number has it, is ended, but the melody lingers on or, as Mr Cilliers has put it, this advertising material ‘casts its shadow backwards’ . . . .’<sup>12</sup>

[31] Having previously sailed so close to the wind, it was incumbent upon the appellants to depart significantly from the initial get-up. The continued use of the expressions: (i) ‘whisky flavoured’; (ii) King Arthur, which is evocative of UK origin; (iii) Royal Douglas, which is evocative of Scottish origin and has no credible link to Mr Haupt; (iii) ‘double distilled’, which is a term usually associated with whisky and (iv) the use of an artificial caramel colouring (there appears to be no reason for the liquid to be this colour other than to assist in representing it as a whisky), means that the appellants have evidently failed to create a get-up which is not suggestive of whisky or Scotland.

[32] In *Diageo North America Inc* para 16, the Court of Appeal quoted the following from the judgment of Arnold J in the court below:

‘It is fair to say that the New Get-Up is considerably less objectionable than the Old Get-Up. It is less reminiscent of vodka, and the description of the product as “schnapps” is more prominent. Counsel for Diageo submitted, however, that in the light of the previous history the change was not enough to avoid confusion. I agree . . . The change in get-up will have been perceived by many, if not most consumers, in exactly the way ICB promoted, namely as a new look for the same old product. I am prepared to accept that the New Get-Up was less likely than the Old Get-Up to deceive consumers in countering it for the first time, but I do not think it went far enough to avoid the likelihood of confusion altogether given the propensity of the brand name to confuse and the absence of a clearly understood description of the product. Furthermore, I do not consider that the

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<sup>12</sup> *William Grant & Sons Ltd and Another v Cape Wine Distillers Ltd and Others* 1990 (3) SA 897 (C) at 918.

New Get-Up will have been effective to un-deceive many consumers who were already deceived. . . .’

[33] In all the circumstances, the court *a quo* cannot be faulted for holding that there was, as well, the likelihood of confusion created by the replacement Royal Douglas and King Arthur get-up. As it was put by Schutz JA in *Blue Lion Manufacturing (Pty) Ltd v National Brands Limited* 2001 (3) SA 884 (SCA) para 14:

‘The fact that a participant in a market chooses to imitate his competitor’s get-up and then seeks to maintain his imitation, suggest that he believes and has had confirmation of his belief that imitation confers on him some advantage that an original get-up would not. . . .’

[34] Turning to the statutory cause of action. It is a form of unlawful competition to trade in contravention of a statutory provision.<sup>13</sup> Section 12 of the LPA headed ‘Prohibition of false or misleading descriptions for liquor products’, underscores the basic policy consideration of lawful competition by encouraging honesty and fairness in trading competition.<sup>14</sup>

[35] The LPA proscribes the sale of any liquor product in a container, unless the ‘prescribed particulars of such liquor product are indicated in the prescribed manner on the label of such container and on the package of such container’ According to s 12(1) of the LPA:

‘No person shall use any name, word, expression, reference, particulars or indication in any manner, either by itself or in coherence with any other verbal, written, printed, illustrated or visual

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<sup>13</sup> *Patz v Greene and Co.* 1907 TS 427 (TS).

<sup>14</sup> *Stellenbosch Wine Trust Ltd and Another v Oude Meester Group Ltd; Oude Meester Group Ltd v Stellenbosch Wine Trust Ltd and Another* 1972 (3) SA 152 (C) at 161H-162A.

material, in connection with the sale of a liquor product in a manner that conveys or creates or is likely to convey or create a false or misleading impression as to the nature, substance, quality, composition or other properties, or the class, cultivar, origin, age, identity, or manner or place of production, of the liquor product.’

[36] Section 12 must be read with s 11(2)(d) of the LPA,<sup>15</sup> which prohibits the use, in connection with the sale of a liquor product, of a class designation or any word or expression that so resembles a class designation that it would be likely to deceive, unless the product complies with the relevant designation. It follows, in essence, that a product may, from the point of view of the LPA, only be sold if the description matches the content. It would accordingly be a contravention of ss 11 and 12 to represent as whisky, a product that is not. It would, further, be a contravention of s 12 to represent a product as Scotch whisky, when it is not of Scottish origin or a whisky at all.

[37] The appellants claim their product to be a spirit-based liquor. They state: ‘The . . . Royal Douglas and King Arthur products are both whisky flavoured spirit aperitifs. The products are not whiskies, nor have the [appellants] ever attempted to market the products as whiskies (let alone Scotch whiskies) or to confuse anyone to believe that the products are whiskies. Instead . . . The products fall within the class designation of spirit-based liquors, as provided for in Section 9 of the Liquor Products Act 16 of 1989. On both the previous and current labels the words SPIRIT APERITIF appear prominently. Provisions relating to whisky products are, accordingly, not applicable to the . . . products.’

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<sup>15</sup> Section 11(2)(d) of the LPA provides:

‘(2) No person shall in connection with the sale of a liquor product –

. . .

(d) use a class designation, or any word or expression that so resembles a class designation that it will deceive or is likely to deceive, unless it is the applicable class designation for the liquor product concerned’.



The Royal Douglas and King Arthur products are both vodka products to which whisky flavouring is added. The spirit whisky is not added to the products, only a flavouring. Accordingly, the products are not whiskies, nor are they whisky-based.

It has become a common practice in the liquor industry to produce spirits which are flavoured like other spirits. In the past [Milestone] obtained its whisky flavouring from . . . situated in Barcelona, Spain. [Milestone] has, however, for commercial purposes, recently changed suppliers and now purchases the whisky flavouring from a local company.’

[38] A ‘spirit-based liquor’ is defined in s 1 of the LPA to mean a product that complies with the requirements referred to in s 9, which provides:

- ‘(1) A spirit-based liquor shall –
  - (a) be produced by the treatment of a spirit in the prescribed manner, or by the addition of a prescribed substance to a spirit; and
  - (b) be produced in such a manner that it is of a prescribed class and complies with the prescribed requirements for the class concerned.
- (2) A spirit-based liquor shall not contain a particular prescribed substance to a greater extent than that prescribed.
- (3) No person shall –
  - (a) add to a spirit from which a spirit-based liquor is produced, or a substance added in terms of subsection (1) (a), or a spirit-based liquor, any substance other than a substance prescribed for this purpose; and
  - (b) so add a substance so prescribed, otherwise than in accordance with the prescribed manner or conditions.’

[39] Regulation 29 of the Liquor Products Regulations (the Regulations)<sup>16</sup> prescribes the requirements for ‘spirit-based’ liquors. It reads:

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<sup>16</sup> Liquor Products Act 60 of 1989 Regulations, GN R 1433, GG 12558 29 June 1990.

‘(1) A spirit-based liquor of a class specified in column 1 of Table 5 shall be produced in the manner and in accordance with the requirements set out in column 2 of the said Table opposite thereto.

(2) The alcohol content of a spirit-based liquor shall be in accordance with the requirements specified in column 3 of Table 5 opposite the class concerned.

(3) The sugar content, expressed as invert sugar, of a spirit-based liquor shall, in the case of liqueur, spirit cocktail and cream liqueur, be at least 75 gram per litre.

(4) The flavour, taste and character of a spirit-based liquor shall be clearly distinguishable from that of wine or a class of wine or of a spirit or a class of spirit. . . .’

By Table 5, a spirit cocktail shall be produced by the addition of herbs, natural extracts of herbs, other flavourings of vegetable origin or flavourings which are nature – identical, egg or milk and sugar derived from cane or grain to a spirit. Spirit-based liquors are, by Paragraph 17 of Table 10, interchangeably referred to as ‘spirit cocktail.’

[40] According to Regulation 33(1), the particulars to be indicated on the label of a liquor product shall, inter alia, be the: (a) ‘applicable class designation of that liquor product as required in regulation 35’ and (b) ‘alcohol content of that liquor product as required in regulation 36.’ In terms of regulation 36(1), the alcohol content of a liquor product as indicated on a label, must ‘consist of a figure which represents the actual percentage of alcohol per volume of that liquor product, in conjunction with a percentage symbol and one or more of the expressions ‘alcohol’, ‘alkohol’, ‘volume’ or an abbreviation thereof’.

[41] The requirements for whisky are stipulated in regulation 15 as follows:

‘(1) Whisky shall –

(a) be produced from a mash of grain -

(i) in which the diastase of the malt contained therein, with or without other natural enzymes, has brought about sugar conversion;

(ii) which has been fermented by the activity of yeast; and

- (iii) which has been distilled at less than 94,8 per cent alcohol by volume so that the distillate has a flavour and taste originating from the raw material used;
  - (b) be matured for at least three years in wooden casks with a capacity of not more than 700 litres; and
  - (c) have an alcohol content of at least 43 per cent.
- (2) Whisky produced in the Republic shall be matured as contemplated in sub-regulation (1)(b) by storage in a customs and excise warehouse in wooden casks approved for this purpose by the Commissioner of Customs and Excise.'

[42] Importantly, the appellants did not see fit to take the court into their confidence, preferring instead to content themselves with the bald assertion that 'spirit whisky is not added to the products, only a flavouring'. The whisky-flavouring, so it was stated, was obtained initially from a supplier in Spain and more recently, a local supplier. No confirmatory affidavit was adduced from either supplier. There is thus simply no evidence as to the composition of the whisky-flavouring. In any event, it would appear to be impermissible to add to a spirit-based aperitif or liquor, a whisky-flavour. The LPA specifically requires a spirit-based liquor to be clearly distinguishable in 'flavour, taste and character . . . from that of a . . . spirit or a class of spirit'. Whisky is a spirit.

[43] According to the appellants the words 'whisky flavour' merely inform the customer that the spirit-based liquor or spirit aperitif tastes like a whisky. But that is, on their own showing, impossible and thus misleading. The appellants state under oath that it is impossible for any person 'precisely to identify when a product will be deemed to be whisky flavoured'. They contend that taste is subjective and there is, in truth, no such thing as an ascertainable whisky flavour. Carried to its logical conclusion, the appellants could put anything into a bottle, call it whisky-flavoured,

and there would, on their construction, be no contravention of the LPA. The proposition needs only be stated, to be rejected.

[44] That a product can ever be artificially ‘whisky-flavoured’ is, in any event, doubtful. This is so according to the evidence of Ms Shona Glancy, a scientist employed by the Scotch Whisky Research Institute in Scotland (SWRI) since 2007. She is also a member of the sensory panel of the SWRI. Over the course of the nine years of her membership, she has developed a considerable expertise in the sensory analysis of whisky. She is also familiar with the types of flavour and aromas to be found in whisky.

[45] Ms Glancy conducted her first test on Royal Douglas during January 2016. Apart from confirming that the product was not whisky, she performed a sensory assessment of the spirit by nosing a sample; being the normal method of assessing the flavour of whisky in the Scotch whisky industry. She states that flavour compounds can be easily detected on the nose. According to her, the Royal Douglas profile was one dimensional. Her assessment revealed aromas of orange, pineapple and artificial apple. These are atypical of a whisky produced in accordance with the South African whisky definition.

[46] In answer to the allegation that the offending product is vodka-based to which whisky-flavouring has been added, Ms Glancy commented that an artificial additive could not replicate the complex flavour and aroma of whisky. Whisky produced in accordance with the South African definition derives its flavour from its raw materials, fermentation, distillation and maturation in wooden barrels. Ms Glancy rejected the suggestion that whisky cannot be said to have a distinct flavour or that

it is impossible to identify when a product will be deemed to be whisky-flavoured. She stated there are definite and distinguishing flavours which are attributable to whisky and there are objective means of describing a whisky-flavour. Indeed, she stated that flavour assessments at the SWRI are carried out as standard procedures with trained and experienced sensory panellists.

[47] The expert evidence of Ms Glancy is underscored by that of Mr Gary Wadmore, the store manager of the Whisky Brother retail store, a specialist store selling only whisky and whisky-related items. The high court took the view that ‘he is neither an expert in the tasting of whisky, nor does he qualify as an independent witness due to his closeness to [SWA]’. It is indeed so that the evidence of an expert, tendered because of his (or her) special knowledge, skill or experience, must of course be regarded with a measure of caution, for the court is usually in no position to verify the expert's conclusions. A court must also remain aware of the tendency of experts to be partisan. Here, though there was no good reason to devalue his evidence being, as he was, an independent specialist seller of the product.

[48] Mr Wadmore performed both an olfactory and tasting test of each of the offending products. He confirmed that whisky has a distinctive taste and mouth feel and that the taste of whisky is to be found within a range, outside of which a product is no longer recognisable as a whisky. Mr Wadmore was provided with bottles of Royal Douglas and King Arthur with the second set of labels. Upon performing an olfactory test, he described the liquid to have a very sweet smell, suggestive of a vodka product and having medicinal and herbal undertones. The nose did not have any typical notes of distilled and matured grains. Upon performing a tasting test, he found the mouth feel to be syrupy, almost like a nectar. The taste was very sweet

and medicinal. It had no notes of any barley or grains, as one would expect in a whisky. Mr Wadmore noted that, whilst the product had the appearance of a whisky and might well lead consumers to believe that it was a whisky, its taste had nothing to do with whisky. The Royal Douglas product could not accurately be described as being whisky-flavoured. Mr Wadmore reached the same conclusion in respect of the King Arthur product. The appellants produced no evidence to gainsay the evidence of these two witnesses.

[49] Further, the appellants represent the alcohol strength of their product to be 43%. The SWRI found it to be 34.98%. In an attempt to contradict the findings of the SWRI, the appellants produced a certificate by an entity identified as ‘Vinlab’. The certificate was not accompanied by an affidavit and accordingly constitutes documentary hearsay. In these circumstances, the high court correctly held that the certificate has no evidential value and concluded that the Royal Douglas and King Arthur products have an alcohol strength of 34.98%.

[50] It follows that the appellants’ product offends: (i) sections 11 and 12 of the LPA for being represented as a whisky or Scotch whisky or a whisky with a Scottish connection, being whisky-flavoured and having an alcohol content of 43% or 43.5% when, in fact, it has an alcohol strength of 34.98% and (ii) Regulation 29(4), by being marketed and sold as a whisky-flavoured spirit aperitif.

[51] That notwithstanding, it was argued on behalf of the appellants that the respondents are nonetheless not entitled to interdictory relief. In that regard reliance was placed on *Patz v Greene* 1907 TS 427, which held (at 433):

‘Where a statute prohibits the doing of a particular act affecting the public, no person has a right of action against another merely because he has done the prohibited act. It is incumbent on the party complaining to allege and prove that the doing of the act prohibited has caused him some special damage – some particular injury beyond that which he may be supposed to sustain in common with the rest of the Queen's subjects by an infringement of the law. But where the act prohibited is obviously prohibited for the protection of a particular party, then it is not necessary to allege special damage.’

The judgment continues:

‘Now that appears to be not only good law, but also common sense. Everyone has the right, in my opinion, to protect himself by appeal to a court of law against loss caused to him by the doing of an act by another, which is expressly prohibited by law. Where the act is expressly prohibited in the interests of a particular person, the Court will presume that he is damnified, but where the prohibition is in the public interest, then any member of the public who can prove that he has sustained damage is entitled to his remedy.’

[52] In *Johannesburg City Council v Knoetze and Sons* 1969 (2) SA 148 (W) at 150-55, Trollip J had occasion to consider: firstly, whether the court has jurisdiction to grant an interdict to restrain conduct that amounts to a statutory offence; and if the court does have such jurisdiction, secondly, who has locus standi to move the court for interdictory relief. The learned judge referred to the general principle formulated by Kotze AJA in *Madrassa Anjuman Islamia v Johannesburg Municipality* 1917 AD 718 at 727 that:

‘[i]f it be clear from the language of a Statute that the Legislature, in creating an obligation, has confined the party complaining of its non-performance, or suffering from its breach, to a particular remedy, such party is restricted thereto and has no further legal remedy; otherwise the remedy provided by the Statute will be cumulative.’

[53] Trollip J pointed out that the purpose of an interdict is to restrain future or continuing breaches of a statute, whereas the statutory remedy of prosecuting and punishing an offender relates to past breaches. Different considerations must therefore inevitably apply. For, while the statutory remedies might be adequate to deal with past breaches, the civil remedy of an interdict might be the only effective means of coping with future or continuing breaches.

[54] The learned judge added (at 154B-H):

‘Hence, it is not to be initially inferred that the lawgiver intended to exclude such a remedy. Indeed, the presumption is the other way, the very converse of the initial approach in considering the first problem: the civil remedy of interdict is presumed to be available unless the statute excludes it expressly or by necessary implication. Halsbury, Laws of England . . . states the rule thus:

“Where a statute provides a particular remedy for the infringement of a right thereby created . . . the jurisdiction of the Court to protect the right by injunction is not excluded unless the statute expressly or by necessary implication so provides.”

The same rule was in effect adopted and applied in the *Madrasa* case . . . At p 725, Solomon JA said:

“To exclude the right of a court to interfere by way of interdict, where special remedies are provided by statute, might in many instances result in depriving an injured person of the only effective remedy that he has, and it would require a strong case to justify the conclusion that such was the intention of the Legislature.”

And at p 730, Kotze AJA said that the enactment of statutory remedies “does not, in the absence of anything to indicate that such was the intention of the Legislature, deprive the Municipality of any further remedy which the law may give by way of an interdict. The Legislature cannot, unless it has clearly expressed an intention to that effect, be taken to have meant that . . . no interdict . . . can be applied for by the Council”.’

[55] Trollip J proceeded to state (at 154F):



'It is true that the qualification - unless the statute otherwise provides - is not incorporated in the well-known rule laid down by Solomon J (as he then was) in *Patz v Greene & Co* 1907 TS 427 at 433. That decision has on that account been criticised in certain decisions . . . But with respect I think that in *Patz v Greene & Co* the Court was satisfied that the statute in question had not expressly or by necessary implication excluded the civil remedy of interdict (see at 434-5), and it was therefore primarily concerned with the *locus standi* of the applicant to apply for the interdict (see the argument at 427). Consequently, the rule there laid down accepted, I think, that the right of interdict was available, and it was directed towards defining the person or class of persons who had *locus standi* to claim its enforcement. Thus, in the *Madrassa* case, at 726, the same learned Judge who had announced the rule applied it to determine the *locus standi* of the applicant . . . In my view, therefore, *Patz v Greene Ltd* does not add to or conflict with the rule quoted above from . . . the *Madrassa* case. The case will be referred to again later on the question of the present applicant's *locus standi*. Now the ordinance does not exclude, expressly or by necessary implication, the remedy of interdict to enforce observance of s 4(1). That remedy, as pointed out above, is applicable to future or continuing breaches; the statutory remedy of prosecution and punishment under s 4(2) relates to past breaches; and the two can therefore co-exist without any conflict. Consequently the reasoning above for excluding the civil remedy for recovering arrear fees and penalties does not apply. Hence, in my view, future or continuing breaches of s 4(1) can be restrained by interdict.'

[56] In the *Long John* matter (at 150B), Booysen J had occasion to consider the argument that the object of the legislature in enacting the legislation was to protect members of the public against being misled, accordingly, so the argument went, 'any member of the public who has been misled may approach the Court, but not a rival trader who is . . . not misled'. The learned judge held: '[i]t seems to me that the object of the Legislature was also to protect traders or producers of goods from the actions of other traders who might mislead members of the public to purchase their

goods in preference to theirs. I thus reject the submission that the applicant has for this reason no *locus standi*.’

[57] It follows that the respondents are entitled to the interdictory relief sought. It remains to record that at the hearing of the appeal, counsel for the respondents did not persist in certain of the orders obtained in the court below. That will be reflected in the order that follows. Although, for the most part the order of the court below remains undisturbed, attempting to amend the order may conduce to confusion. It would thus be more convenient to simply set aside and replace the order. Consequently, for the reasons given, the appeal must fail. As the appellants have failed in respect all of the substantive issues raised on appeal, costs must follow the result.

[58] In the result:

- (a) The appeal is dismissed with costs, including those of two counsel.
- (b) The order of the court below is replaced with the following:

‘1. The First, Second, Third, Fourth, Fifth and Sixth Respondents (the Respondents) are interdicted and restrained from –

1.1 Selling, offering for sale, promoting, marketing or distributing, products with the get-up and/or labels, or using in the course of trade or otherwise, the get-up and/or labels, or similar get-up or labels to those illustrated in the documents at A1, A2, B1 and B2 hereto (the ‘offending trade dress’); and

1.2 using in any manner in the course of trade or otherwise the name or description ‘whisky’, ‘whiskey’ or any derivation thereof in relation to any product that does not satisfy the statutory requirements for whisky;

1.3 representing a product to be whisky or to have a connection to whisky or to be in any manner related to whisky when it is not so;

- 1.4 using in any manner in the course of trade, or otherwise, the words ‘Scotch’, ‘Scotland’, ‘Scottish’ or any word or phrase of which ‘Scotch’, ‘Scotland’, ‘Scottish’ is a part or labels and representations which include insignia or any other representation evocative of Scottish origin in relation to any liquor product which has not been wholly manufactured or produced in Scotland.
2. The Respondents are interdicted and restrained from representing, directly or indirectly, that any product bottled, sold, marketed, distributed or otherwise made available by them –
  - 2.1 is whisky or whisky-flavoured, when it is not whisky;
  - 2.2 is whisky-flavoured when it is not;
  - 2.3 has an alcohol per volume content of 43% or 43.5% or higher, when it does not;
  - and
  - 2.4 is Scotch Whisky, when it is not.
3. The Respondents are interdicted and restrained from –
  - 3.1 trading in unlawful competition with the Applicants by dealing in the course of trade or otherwise in liquor products –
    - 3.1.1 represented as whisky or whisky-flavoured when they are not;
    - 3.1.2 represented as Scotch Whisky when they are not;
    - 3.1.3 or in products sold under any of the offending trade dress;
    - 3.1.4 represented as having an alcohol per volume content other than the actual alcohol per volume content of the product;
4. The Respondents are interdicted and restrained from trading in unlawful competition with the Applicants in contravention of the Liquor Products Act No. 60 of 1989 by –
  - 4.1 using in the course of trade or otherwise, in relation to any product, the offending trade dress; or
  - 4.2 using the words ‘whisky’, ‘whiskey’, ‘whisky flavoured’ or any other derivation thereof in relation to any product which is not whisky, or
  - 4.3 using the word ‘Scottish’ or representations of Scottish, insignia or emblems in relation to any product which is not Scotch Whisky; or
  - 4.4 representing any products to be whisky-flavoured; or
  - 4.5 representing any product to have an alcohol per volume content other than the actual alcohol per volume content.

5. The Respondents are ordered to destroy or to procure the destruction of all the products or advertising material containing any of the offending matter referred to above within 14 days of the date of this order and to satisfy applicants' attorneys that such destruction has been carried out.

6. In the event of the Respondents failing to comply with paragraph 5 hereof within twenty (20) days of the date of this order, the Sheriff of this Court is authorised to attach and seize wherever (s)he may find same and deliver up to the Applicants' attorneys for destruction any sachets, bottles, labels, cartons, catalogues, packaging, promotional material or other materials which are in breach of the aforesaid orders.

7. In the event of the Respondents failing to comply with paragraph 5 hereof within twenty (20) days of the date of this order, the Seventh Respondent is authorised and directed in terms of sections 11(1), (2) or (3) or 12(1) of the Liquor Products Act No. 60 of 1989 to seize and remove, alternatively instruct his administering officer to seize and remove, wherever same may be found, all the offending products (including the liquor products and their containers, packaging and labelling). All products seized and removed shall be held by the State pending prosecution of the Respondents for contraventions of the Liquor Product Act 60 of 1989.

8. The respondents are ordered, jointly and severally, to pay the costs of the application.'

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V M Ponnar  
Judge of Appeal

**APPEARANCES:**

For Appellants: C E Puckrin SC (with him P P Ferreira)

Instructed by:  
Adams & Adams Attorneys, Pretoria  
Honey Attorneys, Bloemfontein

For Respondents: R M Robinson SC (with her D Lubbe)

Instructed by:  
DM Kisch Inc t/a Kisch IP  
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