



**NOT REPORTABLE**

CASE NO: SA 88/2016

**IN THE SUPREME COURT OF NAMIBIA**

In the matter between:

**RENTOKIL INITIAL 1927 PLC**

**Appellant**

and

**MICHAEL DEMTSCHUK t/a RENTOKIL  
NAMIBIAN PEST CONTROL SERVICES  
REGISTRAR OF TRADE MARKS  
REGISTRAR OF COMPANIES  
MINISTER OF TRADE AND INDUSTRY**

**First Respondent  
Second Respondent  
Third Respondent  
Fourth Respondent  
Fifth Respondent**

**Coram:** SHIVUTE CJ, CHOMBA AJA and FRANK AJA

**Heard:** 28 June 2018

**Delivered:** 10 October 2018

**Summary:** Around 1998, the first respondent registered the name 'Rentokil' as a defensive name for his business after making enquiries with the Registrar of

Companies to establish whether there was a business or company registered under that name. As per the Companies Register, the first respondent established that no company was registered under that name. He however, made a further search in the telephone directory wherein he discovered a telephone number with a business registered under 'Rent-O-Kill'. The first respondent contacted an unknown person whose telephone number appeared in the directory and established that the individual had ceased to operate under Rent-O-Kill name and had no intentions of using the name in future. Hence, the first respondent commenced his business under the name Rentokil to provide pest control services amongst other services in Namibia.

In 2001, the appellant, a company registered in South Africa sent a letter of demand through its lawyers to the first respondent demanding the latter to stop using the trade name Rentokil and alleging that such use was without consent or authority. In March 2003, the appellant applied for registration of the trade mark 'Rentokil' but it was only registered in May 2010. More than a decade after sending the first letter, the appellant wrote to the first respondent in January 2014 demanding that the latter stop using the name and remove same from its official documents and threatening legal action.

The first respondent then made an application for expungement of the trade mark of the appellant from the Trade marks Register in terms of section 16 of the Trade Marks in South West Africa Act 48 of 1973 and because of the alleged no-use for more than 5 years. The appellant opposed this application and brought a counter-application claiming that the first respondent was passing off their business by use of the trade name Rentokil.

The court *a quo* found that evidence on which the appellant intended to rely constituted inadmissible hearsay statements. It also found that first respondent commenced with the use of the name Rentokil in connection with his business at a time when appellant conducted no business in Namibia and had no reputation in Namibia. The court *a quo* also held that the case for non-use had been established. An order was thus made to expunge the trade mark of the appellant from the Trade marks Register. The court *a quo* also found that the first respondent established that his use of the name Rentokil predated that of appellant in Namibia and did not affect the reputation of appellant in this country. Accordingly, the court *a quo* granted the application for expungement and dismissed the counter-application with costs.

Dissatisfied with this judgment, the appellant noted an appeal in this court against the whole judgment of the court *a quo*. On appeal, the appellant contended that, it had developed a reputation and goodwill through extensive promotion and use of its Rentokil name and trade mark in Namibia. The first respondent argued that the Namibian market for pest control services is a small one in which he has been active since 1998 and that he was the only entity in the market that used the name Rentokil.

Counsel for the appellant submitted that the first respondent unlawfully built up its reputation by use of the Rentokil trade mark as this trade mark already had a reputation in this country belonging to the appellant. Accordingly, he contended that the conduct of first respondent is '*contra bonos mores*' and hence the reputation he might have had is not lawful and deserving of protection. On the

contrary, counsel for first respondent argued that the first respondent had lawfully built up a reputation through the use of this mark and became the common law proprietor of the mark.

This court found that the market for pest control in this country is a small one and that as at 17 March 2003, the first respondent had dealings with the biggest abattoir in Namibia, the Government, Namibian Scientific Society, and the hospitality market. He had already commenced business under this name and for a number of years already advertised in the Namibian telephone directory. Therefore the first respondent was thus at the relevant time the only player in this segment of the market under this mark in Namibia and had been advertising and working in this market.

This court further found that the first respondent adduced sufficient evidence to establish a reputation under the mark 'Rentokil' in Namibia. Furthermore, that a registration of the mark 'Rentokil' by another would be likely to cause deception and confusion as to the proprietor of the mark. The court found that the appellant had no physical presence in Namibia. It took no steps up to 2001 to prevent the first respondent from doing business under this name. They did nothing for more than a decade until 2014.

The court *held* that hearsay evidence which does not meet the established exception to the hearsay rule is inadmissible and the reliability or relevance thereof makes no difference to this rule.

This court further *held* that there was no basis for accepting that the appellant's international businesses could establish or contribute to the establishment of a reputation for the trade mark in Namibia by 1998.

Further *held*, that the appellant failed to establish that it has any reputation in Namibia which the first respondent unlawfully adopted.

*Held* that inaction by appellant from the application for registration of their trade mark in March 2003 up to forwarding the letter of June 2014 to first respondent is indicative of the fact that it had no reputation in Namibia worthy of protection.

*Held* that the first respondent is entitled to the main relief sought in his application to expunge the appellant's trade mark from the Trade mark Register.

*Held* that the respondent is the common law proprietor of the trade mark Rentokil in Namibia and the appeal is accordingly dismissed with costs.

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### APPEAL JUDGMENT

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FRANK AJA (SHIVUTE CJ and CHOMBA AJA concurring):

[1] The appellant applied on 17 March 2003 for the trade mark 'Rentokil' to be registered. For reasons not known, it was only registered on 20 May 2010. Per letter dated 17 June 2014 addressed to first respondent, the appellant's lawyers demanded that first respondent cease to use the name Rentokil in respect of his business failing which the appellant would seek the necessary relief in court

including a 'perpetual interdict'. After the exchange of further letters, the lawyers of the first respondent during September 2014, informed the appellant that it would launch an application to expunge appellant's trade mark from the register as it was registered without sufficient cause, alternatively because of it not being used by the appellant.

[2] The envisaged application by the first respondent was launched during November 2014. Needless to say, the appellant (as first respondent in that application) opposed the application maintaining that all the requisites for registration had been met and disputing first respondent's non-user allegations. The appellant also launched a counter-application in which the threatened interdict is sought together with an order compelling the first respondent to remove the word 'Rentokil' from the defensive name 'Rentokil Pest Control' he registered with the office of the Registrar of Companies as well as an interdict to prohibit first respondent from competing unlawfully with the appellant and passing off his business as being associated or connected with that of appellant. For the purposes of the application and counter-application the parties other than the appellant and first respondent were joined to the proceedings as they had an interest in the relief sought in the applications. None of these parties entered the fray *a quo* or in this court. I thus refer to the first respondent in this appeal as the respondent and where the need arises to refer to any of the others respondents I refer to them by using their full descriptions as they appear in the heading to this judgment.

[3] The court *a quo* granted the application of the respondent with costs and dismissed the counter-application with costs. The court *a quo* found that the

respondent commenced with the use of the name Rentokil in connection with his business at a time when the appellant conducted no business in Namibia and had no reputation in Namibia. This meant that the registration of the trade mark was likely to result in deception or confusion. The court *a quo* also held that the case for non-use had been established. An order was thus made to expunge the trade mark of the appellant from the trade marks register. As the respondent established that his use of the name Rentokil predated that of the appellant in Namibia and did not affect the reputation of the appellant in this country, the counter-application was also dismissed. This appeal lies against the whole of the judgment *a quo*.

[4] The court *a quo*'s approach to expunge the trade mark from the trade mark register was in line with s 16(1) of the Trade Marks in South West Africa Act<sup>1</sup> (the Act) which provides as follows:

'(1) It shall not be lawful to register in trade mark or a part of a trade mark any matter the use of which would be likely to deceive or cause confusion or would be contrary to law or morality or would be likely to give offence or cause annoyance to any person or class of persons or would otherwise be disentitled to protection in a court of law.'

[5] The respondent conducts his business in Namibia under the name Rentokil Namibian Pest Control Services. He says he decided on this name after discussions with his friends on a suitable name for the business which, among others, provided pest control services to his clients. This was around 1998, and as from that year, he had been conducting business in this country under that name. Prior to using the name he made enquiries at the office of the Registrar of Companies and established that there was no company using that name on the

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<sup>1</sup> Act 48 of 1973.

register. He subsequently registered Rentokil as a defensive name intermittently. He also had regard to the telephone directory where he found an entry and telephone number for an entity 'Rent-O-Kill'. He called the number where a person who identified himself as the owner of the business informed him that he had no objection to the intended use of the name Rentokil by respondent 'as he had already gone out of business and had no intention to conduct business under the name Rent-O-Kill in future'. The respondent thus commenced to do business utilising the word Rentokil as part of his business name. This is substantiated by copies of quotations, invoices, entries into the telephone directory, tenders for government contracts, photos of logos on vehicles and marketing material. The fact that the respondent has been doing business utilising the Rentokil name as from that date and is still doing so is not disputed in any real sense although some criticism is expressed as to the scale of respondent's business.

[6] During January 2001, the respondent received a letter from legal practitioners who acted on behalf of the appellant and its South African subsidiary stating it was the 'largest and leading pest control contractor, conducting business in numerous countries, including South Africa' and that it had come to the notice of their client that the respondent advertised pest control services in the Namibian media under the name 'Rentokil Namibia'. It was recorded that the use of this name was without their 'authority or consent'. I interpose here to mention that it is common cause that the respondent never sought the authority or consent of appellant to use the word Rentokil. The letter concludes that the respondent is passing off their client's business and acting in contravention of the Business Names Act.<sup>2</sup> An undertaking was sought from the respondent that he would cease

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<sup>2</sup> Act 27 of 1960.



using the trade name Rentokil Namibia failing which steps would be taken to protect their clients' interest including a claim for damages. The respondent's legal practitioner engaged with the legal practitioners of the appellant and its South African subsidiary. The threats in the letter did not materialise and respondent continued to do business undisturbed under the name Rentokil until he received a letter more than a decade later dated 17 June 2014.

[7] I have dealt with the demands made in this letter in the introduction to this appeal above. The basis for the demands were stated in the letter and are twofold. First, that the appellant was a proprietor of the trade mark registered in Namibia. Second, that appellant had, 'through extensive promotion and use of its Rentokil name and trade mark in Namibia, developed a reputation and hence goodwill in respect of Rentokil in Namibia'. As a result of this letter the respondent discovered that the appellant indeed applied for and was the proprietor of the trade mark as stated by it. As far as the second basis for the demand is concerned, the respondent disputes this. He points out that the Namibian market for pest control services is a small one in which he has been active since 1998 and that he was the only person in the market that used the name Rentokil. He thus asserts that the reputation in Namibia in relation to the trade mark Rentokil is solely due to his use of this mark. He states that at the time he started using this trade mark he knew that there was a business in Germany that also used Rentokil as part of its business name, but that he was unaware of any business in South Africa that used that trade mark. In fact, the respondent states that as appellant had not even commenced business in Namibia by the time he launched his application for expungement he is in any event entitled to have appellant's registered mark

expunged based on non-use of the registered trade mark by appellant for a period in excess of five years as provided for in s 36 of the Act.

[8] The appellant, through its counsel, concedes that absent malice and ulterior motive, 'the adoption of a foreign trade mark in Namibia would be lawful where the trade mark being adopted did not already have a reputation in Namibia'. On behalf of the appellant, the contention is that the respondent did not lawfully build up its reputation by use of the Rentokil trade mark as this trade mark when adopted already had a reputation in this country belonging to the appellant. Further that the respondent does not really explain why he chose the name Rentokil when he 'had a plethora of imaginative name options at his disposal'. According to the submissions by appellant's counsel 'the conduct of first respondent is conduct that the community would condemn as *'contra bonos mores'* and hence the reputation he might have established by use of the trade name is 'not lawful and deserving of protection'.

[9] In terms of s 16 of the Act it is unlawful to register a trade mark where the use thereof 'would be likely to deceive or cause confusion'. This is the nub of the respondent's case for his main relief, namely that he had lawfully built up a reputation through the use of this mark in Namibia and in fact has become the common law proprietor of the mark. He contends that he has adopted it and used it to the extent that he has gained a reputation that the goods and services in respect whereof it is used belonged to him.<sup>3</sup> Hence, it follows, that the registration of the trade mark would cause confusion or be likely to deceive as it identifies the

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<sup>3</sup> *Elisenheim Property Development Co (Pty) Ltd v Guest Farm Elisenheim & another* 2013 (4) NR 1085 (HC) at 1099G-I.

appellant as the proprietor of the trade mark instead of him. Counsel were *ad idem* in this court that respondent had to establish a reputation in this country on 17 March 2003 when the application for registration for the mark was lodged by appellant and that such registration of the mark in the name of appellant was likely to cause deception or confusion.

[10] In determining whether respondent put up sufficient facts to show he had established a reputation in the mark 'Rentokil' and that the registration of this mark in the name of the appellant was likely to deceive or cause confusion, it is not necessary to determine whether he has provided the court with all the evidence he ideally should have, (as was in essence submitted on behalf of the appellant by its counsel), but whether he provided enough evidence to establish a sufficient reputation at the relevant time. In this context it must be borne in mind that the market for pest control in this country is a small one and that respondent's version as to what he did in this market is not really in dispute. It is thus clear that on 17 March 2003 he already had dealings with the biggest abattoir in Namibia (Meatco), the Government (through the Ministry of Works), Namibian Scientific Society, persons in property market (Daan Gresse Real Estates) and the hospitality market (Windhoek Country Club Resort and Casino). He had already commenced business under this name and for a number of years already advertised in the Namibian telephone directory. He refers to his turnover and how it increased from 2000 to 2002 and states he cannot find his financial statements for 2003. Because the applications in these proceedings were only launched in November 2014, he could not trace many documents predating 17 March 2003 but he nevertheless attached some quotations and letters dating from 2002 and 2003. It is undisputed that he was operating under the mark Rentokil in this country from 1998 and was

still so operating during March 2003. As pointed out above, during 2001, the appellant also became aware of this position and even averred that the respondent was passing off its business.

[11] The respondent was thus at the relevant time the only player in this segment of the market under this mark and had been advertising and working in this market with an increasing (albeit) small turnover for about five years. In these circumstances, I am of the view that the respondent had put sufficient evidence before this court to establish a reputation under the mark 'Rentokil' in Namibia. Furthermore, that a registration of the mark 'Rentokil' by another would be likely to cause deception and confusion as to the proprietor of the mark was thus also established. Two persons in the same small market, using the same mark, competing for the same goods and services cannot but cause deception and confusion in the market in which they operate.

[12] As is evident from the stance adopted on behalf of the appellant and referred to above, it is the appellant's case that it already established a reputation in Namibia by 1998 and the respondent should have been aware of it, hence he was not entitled to adopt the trade mark Rentokil. The first hurdle appellant faced in the court *a quo* in this regard was that an objection was made against the admissibility of much of the evidence tendered by it to establish its reputation in Namibia as being inadmissible hearsay evidence. The court *a quo* found that the statements '. . . do not constitute admissible probative material. They rather constitute no more than inadmissible hearsay statements'.

[13] The deponents on behalf of the appellant are Messrs Fagan and Lewis. Mr Fagan is the group general counsel and company secretary of the ultimate holding company of the appellant and its South African subsidiary. He is also a director of the appellant. I assume the reference to general counsel is meant to indicate that he is the group's legal advisor. He worked at the appellant from September 2013 prior to his current appointment. He states that the facts he deposed to are 'within my personal knowledge and/or form part of the records of' appellant. First, as he only worked in the group from 2013 he cannot, as a starting point have personal knowledge of factual matters relating to 1998 in Namibia and even thereafter up to 2013. If he has, he must explain how this came about. Second, he does not state that the documentation he refers to is documentation that he had to supervise so as to check its veracity and that it is under his control as part of his office. Thirdly, he sketches the start-up of the business Rentokil Limited in England and states when it was listed and how it expanded, even to South Africa, its global brands, its revenue and staff compliment. He then states all the information in the above regard 'had been taken from the website' of the appellant and is therefore public knowledge and information falling within the public domain. He then concludes that Rentokil is an 'internationally well-known name and trade mark in respect of pest control services and products'. He also refers to the South African subsidiary which was registered in that country in 1967 and had developed a considerable reputé and hence goodwill in that country and states that Mr Lewis would provide substantiation for this conclusion. He admits that the South African subsidiary 'has not operated and supplied pest control services in Namibia, but as a result of appellant's 'international and local reputation' as market leader and through marketing (direct and spill over) it also established a reputation in Namibia prior to 1998 when respondent adopted the name Rentokil.

[14] I have dealt with the evidence sought to be tendered by Mr Fagan in some detail so as to indicate the nature thereof and because the evidence of Mr Lewis is in the same vein save that it deals with the matter from the perspective of the South African subsidiary of the appellant. It seems that the affidavits of these gentlemen were drafted on the basis that the law in Namibia is the same as that of South Africa (and probably England). Hence, it was submitted that evidence with regard to reputation is relevant in matters such as the present and cannot be produced in any other way. In this country, all hearsay evidence which does not come within some established exception to the hearsay rule is inadmissible and the reliability or relevance thereof makes no difference to this rule. It must be borne in mind that the hearsay rule only operates to exclude evidence which is tendered to prove the truth of what is asserted. Thus when it comes to reputation, lots of marketing material, for example, can be produced to indicate the reach of a business and not to prove the statements contained therein. Where a business receives an accolade from a prestigious journal or newspaper this can be produced not to prove the contents of such award but that it was published so as to indicate a reputation. There are of course ways to put factual material before the court that may be relevant. Thus, a company secretary can with reference to copies of the relevant documents testify as to when the company was registered and what subsidiaries it has and can provide copies of its annual financial statements for a particular year. A responsible person may in the same manner provide copies of all its registered trade marks. To prove reputation was done prior to the changes to the hearsay law in South Africa when it was still the same as the current Namibian position, and can still be done. It may need a bit of more effort to do this, but it is not impossible as suggested by counsel for the appellant. I should

also refer to s 34 of the Civil Proceedings Evidence Act<sup>4</sup> relating to the admission of documentary evidence. It may be time that Namibia gets in line with other jurisdictions on this score, but this cannot assist appellant in this matter.

[15] Had the appellant taken cognisance of the rule against hearsay in Namibia, some of the evidence of Mr Fagan (and Mr Lewis) might have survived attack as they would have been able to properly depose to the group's international reach by reference to country registrations and registered trade marks as well as to financial statements relating to subsidiaries. This, however, was not done and to simply parrot facts from the website or a company compiled history does not fall within any of the exceptions to the hearsay rule. In any event the international reach and reputation of the trade mark Rentokil outside South Africa is not of much relevance in this matter. Even if I accept that it has the international reach described by Mr Fagan outside South Africa there is simply no evidence to suggest this contributed to a reputation in Namibia as it is common cause that none of the international (outside South Africa) businesses ever conducted business in Namibia or directly did marketing in Namibia. Spill over marketing from them would have been on an incidental and very limited basis indeed and even more limited than spill over marketing from South Africa. There is no basis for accepting that these international businesses could establish or contribute to the establishment of a repute for the trade mark in Namibia by 1998. The appellant's contentions are mostly in any event premised on a spill over of this trade mark through use by its South African subsidiary of this mark in Namibia. It is in this context that the evidence of Mr Lewis must be considered.

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<sup>4</sup> Act 25 of 1965.

[16] Mr Lewis is the managing director of the South African subsidiary of appellant (Rentokil Initial (Pty) Ltd) and has been in this position since 2013. He also provides facts based on what is published on a website which is inadmissible hearsay evidence. He states with regard to Namibia that 'a permanent presence of business office was, and is, not viable, it has been, and still is, viable to render pest control services there'. He refers to a number of South African entities to whom services had been rendered which have offices in Namibia. He concludes that as the Namibian offices must have procurement managers they must, through the South African entity, know about Rentokil. He further names five Namibian entities that made enquiries to South Africa in respect of pest control services. He refers to advertisements in three publications which are also distributed in Namibia and lastly, he refers to spill-over from advertisements internationally and in South Africa via websites, magazines and newspapers. Apart from South Africa, he specifically refers to the United Kingdom and Germany. Significantly, not a single document evidencing direct contact with a business in Namibia is produced nor is there any affidavit from a Namibian entity to support the averment that (appellant via its South African subsidiary) has a reputation or had a reputation in Namibia in 1998 or even earlier. The advertisements referred to that are dated are all long after 1998. It must be borne in mind that communications in 1998 might not have been so easy or global as currently with websites advertising everything under the sun and easily and freely available. Nor is there any evidence that international travel was as prevalent as it is now. Further, the name Rentokil is not in the same league as branded consumer goods that appear in movies or on TV programmes widely distributed and which emanate mostly from the United States of America and which through franchising, print media and popular (social) media is internationally well known. It operates in a niche market and the mere fact that



someone might have seen the name Rentokil in, say, a German or South African magazine does not necessarily mean they have established a reputation in this country. It simply means that note is taken of the fact that such an entity operates in Germany or South Africa. As is apparent from the appellant's failure to follow up the threats of legal action in their letter of January 2001, the appellant did not think that it had a reputation of appreciable commercial value in Namibia at that stage, if indeed it had any reputation in this country in 2001.

[17] In my view the appellant failed to establish that it has any reputation in this country for the following additional reasons:

- (a) On their own admission they had no physical presence here;
- (b) They took no steps up to 2001 to prevent the respondent from doing business under this name. If they had any reputation here his operations would have come to their knowledge;
- (c) In January 2001 they threatened action against him by way of a letter alleging passing off by the respondent of their South African business. They however did not act on this letter and the inference is so because they were not operating in this country and was of the view that they did not have a protectable reputation in this country. This inference is bolstered by the fact that they did nothing for more than a decade and only sent out a demand in June 2014 when they were armed with registered trade mark as the main weapon in their arsenal;

- (d) The inaction by appellant from the application for registration of their trade mark in March 2003 up to forwarding the letter of June 2014 to respondent is of a twofold nature, namely; they did nothing to take steps to prevent respondent from carrying on with his business which they knew about from at least 2001, nor did they do anything to make use of their trade mark during this period. This non-use also applies in respect of the period subsequent to registration of the trade mark in July 2010 up to the present; and
- (e) It is inexplicable that they allowed the respondent from 2001 up to 2014 (while they applied in 2003 for registration) to use a trade mark they alleged was their property if they thought they had a reputation worthy of protection in this country.

[18] It follows from what is stated above that the respondent was entitled to the main relief sought in his application to expunge the appellant's trade mark from the trade mark register. It also follows that, as the respondent established that he was and is the common law proprietor of the trade mark Rentokil in Namibia that the counter application of appellant was bound to fail.

[19] In the result the appeal is dismissed with costs. The costs shall include the costs of an instructing and one instructed counsel.

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**FRANK AJA**

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**SHIVUTE CJ**

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**CHOMBA AJA**

## APPEARANCES

APPELLANT: R Michau SC, (with him Y Campbell)

Instructed by Cronje & Co, Windhoek

FIRST RESPONDENT:

P C I Barnard

Instructed by Engling, Stritter &  
Partners, Windhoek