

**COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case: CT013MAR015

In the matter between;

TRUWORTHS LIMITED

Applicant

AND

HEMISPHERE INTERNATIONAL TRADING (PTY) LTD

Respondent

2013/088672/07

DECISION (Reasons and Order)

Presiding Member of the Companies Tribunal: Lucia Glass

Introduction

1) This is an application for a default order against the Respondent, and is filed in terms of Section 160 of the Companies Act 71 of 2008 (the Act) read with Regulations 153 of the Act (Regulations), for a determination in respect of Respondent's name **HEMISPHERE INTERNATIONAL TRADING (PTY) LTD** based on Sections 11 of the Act. The Applicant requests an order inter alia, directing the Respondent to change its company name to one which does not incorporate and is not confusingly and/or deceptively similar to the Applicant's **HEMISPHERE trademarks**.

Preliminary Issues

2) This application was served at the business address of the respondent by the Sheriff on the 25th March 2015, (sheriff's return of service is attached to the papers). To date, the Respondent has not filed an answering affidavit in response to the Applicant's application for relief and I am consequently satisfied that the Respondent's lack of participation in these proceedings is not due to lack of service.

3) The Deponent to the Applicant's papers is David Brian Pfaff, who avers that he is a director of the Applicant and is authorised by the Applicant to make this application. He attaches to his affidavit, a resolution authorising him to do so.

Background / Evidence

4) It is averred that the Applicant has been in existence in South Africa since 1917 and carries on business throughout South Africa as a well-known distributor and retailer of clothing, cosmetics, jewellery and related accessories. The Applicant's HEMISPHERE trademarks are filed in respect of a broad range of clothing items and broad range of retail services. It is averred that the Applicant filed its HEMISPHERE trademarks as early as 1990 and thus predate the Respondent's name by at least 24 years.

5) It is further averred that the Applicant's reach and exposure in the market place and by extension the reach and exposure of its HEMISPHERE brand, is amongst the largest in the industry and therefore has established a significant reputation in its HEMISPHERE mark, which has become synonymous with the applicant and are as a result well-known.

6) The Applicant is not connected to the Respondent in any way and the Applicant and the Respondent are not part of the same group.

7) The Applicant alleges that the offending name wholly contains the entirety of the Applicant's HEMISPHERE trademarks. It is submitted that the element HEMISPHERE in the offending name is visually, phonetically and conceptually identical to the HEMISPHERE trade mark of the Applicant. The element HEMISPHERE is the most dominant and memorable part of the offending name, appearing as the very first element which is bound to attract the consumer's attention first. The remaining part of the offending name, being "International Trading" is likely to be interpreted according to its plain and primary English meaning that is, denoting trading in goods and services internationally.

8) It is further alleged that the remaining part of the offending name is weak in distinctiveness, is not memorable and is entirely overshadowed by the first and dominant element, being the entirety of the Applicant's HEMISPHERE mark. Furthermore, the remaining part of the offending name, being "International Trading" is broad enough to incorporate trade in goods and services identical to those of the Applicant namely clothing and accessories. The principal business of the Respondent has not been disclosed, thus this must be assumed.

9) In the light of the above the Applicant avers that the offending name is confusingly similar to the Applicant's HEMISPHERE trade mark and is therefore in contravention of Section 11(2) (b) of the Act.

10) The Applicant prays for, firstly an administrative order in terms of Section 160(3) (b) (ii) ordering the defendant to choose a new name that does not contain the element HEMISPHERE or any other confusingly similar trade mark and to file a new Memorandum of Incorporation, within a time and under such conditions as the Tribunal deems just and equitable, and secondly, an order in the Applicant's favour as to costs in terms of Regulation 156 of the Regulations to the Act.

APPLICABLE LAW

Section 11 (2) (a) and (b) of the Act

11) This section is primarily about protection against infringement of a registered company name or trademark, and reads as follows:

"Section 11 (2) *The name of a company must—*

(a) not be the same as, or confusingly similar to—

(iii) a registered trade mark belonging to a person other than the company, or a mark in respect of which an application has been filed in the Republic for registration as a trade mark or a well-known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993); or

(iv) a mark, word or expression the use of which is restricted or protected in terms of the Merchandise Marks Act, 1941 (Act No. 17 of 1941), except to the extent permitted by or in terms of that Act;

(b) not falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the company—

(i) is part of, or associated with, any other person or entity;

12) The Applicant seeks remedies in terms of Section 160 which reads as follows:

"Part B

Rights to seek specific remedies

Disputes concerning reservation or registration of company names.

Section 160. (1) A person to whom a notice is delivered in terms of section 12(3) or section 14(3)

or any other person with an interest in the name of a company, may apply to the Companies Tribunal in the prescribed manner and form for a determination whether the name satisfies the requirements of section 11.

Application of common law

13) Even though the past common law cases are not based on the current Act, they are still very useful in establishing whether the names are "the same or confusingly similar", moreover whether the name is able to "falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the company is part of, or associated with the other".

14) In 1948 ¹ the courts considered it appropriate to say "*the court must not only consider the marks when placed side-by-side but must have regard to the position of a person who might at one time see or hear one of the marks and later possibly with an imperfect recollection of the mark, come across the other mark*".

15) In more recent times, 2000 in an unreported judgement ² the court said: "*If one compares the name Kentron which the applicant has used and is still using with the name Kentronics which the first respondent is using, it is clear that there is a visual and phonetic differences. It is however, also obvious that there are similarities. The name Kintronics incorporates the whole of the applicants trading style Kentron.*"

16) In 2001 the court said: ³ "*the decision involves a value judgment and that the ultimate test is whether, on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both marks are to be used together in a normal and fair manner, in the ordinary course of business*".

Evaluation

17) The Companies Tribunal is tasked to determine whether the name satisfies the requirements of Sec 11 (2) of the Act.

18) The dominant word HEMISPHERE in Respondent's name and Applicant's trademarks HEMISPHERE are identical and are phonetically and visually confusingly identical.

¹ AMERICAN CHEWING PRODUCTS CORPORATION v AMERICAN CHICLE COMPANY 1948 (2) SA 736 (A)

² DENEL (PTY) LTD AND KENTRONICS (PTY) LTD AND THE REGISTRAR OF COMPANIES TDP CASE NO 213527/2000 (unreported)

³ COWBELL AG v ICS HOLDINGS 2001 (3) SA 941 (SCA)

19) If members of the public merely look at the two names of the two different entities where the words HEMISPHERE appear, in the respective Respondent's and Applicant's names, there is a real likelihood that they will be misled by the similarity of the names.

20) Members of the public may be confused or deceived into believing that the business of the Applicant is linked to, or associated with that of the Respondent and are "horses from the same stable" as they both sport, literally and phonetically identical words.

Findings

21) It is my view that the respondent, falsely implies or suggests, and reasonably misleads a person to believe incorrectly, that the respondent is part of, or associated with the applicant's trademarks, which have been filed in the Republic for registration as a trade mark or a well-known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993).

22) When the dominant word HEMISPHERE in the Respondent's name and the Applicant's trademark HEMISPHERE are placed side-by-side and with regard to the position of a person who might at one time see or hear one of the marks and later possibly with an imperfect recollection of the mark, come across the other mark, I have no doubt that the name and the mark is confusingly similar as they are identical.

23) I am convinced that if the two names are compared, it can properly be said that there is a reasonable likelihood of confusion if both names are to be used together in a normal and fair manner, in the ordinary course of business. This would reasonably mislead a person to believe incorrectly, that the applicant is associated with the respondent.

ORDER

I proceed to make an order in the following terms:

a) The Respondent is directed to change its name to one which does not incorporate and is not confusingly and/or deceptively similar to applicant's trademarks.

b) The Respondent is ordered to file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.

c) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.

d) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.

e) Any other person with an interest in the name that is the subject of this application may, within twenty (20) business days after receiving the notice of this determination and administrative order, apply to a court to review the determination.

f) No order as to cost is made.



LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 22nd JUNE 2015