

**IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA
(PRETORIA)**

Case No.: CT016May2015

In the matter between:

CATERPILLAR INC.

Applicant

and

MODERN CATERPILLARS CO-OPERATIVE LTD

Respondent

DECISION

INTRODUCTION

[1] This is an application in terms of section 160 of the Companies Act 71 of 2008 (the “Act”) read with Regulation 153 of the Companies Act (GNR 351 of 265 April 2011) (the “Regulations”) for an order by default that the name of the Respondent does not satisfy the requirements of section 11 of the Act.

[2] The Applicant requests the Tribunal to make the following order:

[2.1] That the Respondent is directed to change its name to one which does not incorporate the word CATERPILLAR or any other word that is confusingly and / or deceptively similar to the Applicant’s CATERPILLAR trademark;

[2.2] In the event that the Respondent fails to comply with the order as made by the Tribunal within three (3) months from date of the order being made in terms of section 160(3)(b)(ii) read with section 14(2) of the Companies Act, the Companies Tribunal should then change the Respondent's name to "2013/002452/24 (Pty) Ltd" as the Companies interim company name on the Companies Register; and

[2.3] Grant the Applicant further and / or alternative relief.

PARTIES

[3] The Applicant is Caterpillar Inc., duly incorporated and existing under the company laws of the State of Delaware, United States of America and having its principal place of business at 100 N.E. Adams Street, Peoria, Illinois, United States of America.

[4] The Applicant is a manufacturer of construction, earthmoving and mining equipment and is a registered proprietor of the well-known trademark CATERPILLAR that was registered under various classes in May 2007.

[5] The Applicants trademark is commonly known and is actively and extensively used globally and in South Africa by the Applicant in relation to construction and mining vehicles, their parts and accessories and a range of services including the distribution and sale of vehicles, parts and accessories and the servicing and repair of CATERPILLAR vehicles through dealer networks.

[6] The Respondent is Modern Caterpillars Co-Operative Limited, a company with registration number 2013/002452/24, having its registered address at 685 Zone 1, Seshego.

[7] The Respondent registered its business with the Companies and Intellectual Property Commission in February 2013 as a primary co-operative and described its business as “events management, printing and catering.

[8] The Respondent is a registered co-operative.¹

PROCEDURE

[9] Before an Applicant can bring an application for a default order the Applicant must comply with Regulation 142 and Regulation 143 of the Companies Regulations.

[10] In accordance with Regulation 142 of the Companies Regulations, the Applicant is obliged to serve a copy of the application and the affidavit on the Respondent within 5 business days after filing it with the Tribunal.

[11] The Applicant, represented by Matthew Glen Owen who has been authorized to depose of the affidavit on behalf of the Applicant by virtue of a Letter of Authority, filed the application and supporting affidavit with the Tribunal on 20 May 2015.

¹ ¹ In terms of section 10(2) of the Co-operatives Act “A co-operative must have the words—(a) “co-

[12] The Applicant served the application on one of the Respondent's founding members, Ms. Napogadi Nana Elizabeth Tema, by Sheriff on 25 May 2015 at 59 Buffalo Thorn Crescent, Woodlands, Polokwane by affixing it to the principal door at Ms. Tema's residence.

[13] From the Companies and Intellectual Properties Commission (the "CIPC") Certificate of Confirmation dated 8 October 2014; Ms Tema is registered as the director and founding member of the Respondent with 180 Bayman Street, Bendor, Polokwane as her residential address.

[14] In addition to service by the Sheriff, the Applicant provided email correspondence between the Applicant and Ms Tema wherein a copy of the application was attached and further discussed.

[15] In light of the above, I am satisfied that there has been substantial compliance of Regulation 142 of the Companies Regulations by the Applicant.

[16] The Respondent has to date not filed opposing or answering papers.

[17] As a result, the Applicant has brought an application for a default order in terms of Regulation 153(1) of the Companies Regulations.

[18] The Applicant filed an application for a default order on 21 July 2015.

[19] Finally, Regulation 153(2)(b) of the Companies Regulations also states that the Tribunal may make an appropriate order, if it is satisfied that the notice or application was adequately served.

[20] In the circumstances, I am satisfied that the application for a default order by the Applicant was adequately served.

APPLICANT'S APPLICATION

[21] In support of its application the Applicant relies on the following:

[21.1] The Applicant's trademark and the goodwill that it represents is an asset of considerable commercial value and importance to the Applicant;

[21.2] Any unauthorized use of this trademark, or of confusingly or deceptively similar marks is damaging to the asset and to the business of the Applicant in South Africa;

[21.3] When looking at the Respondent's name "Modern Caterpillars Co-Operative Limited" -

- (i) The dominant and memorable portion of the Respondent's name is CATERPILLARS, which is almost identical to the Applicants CATERPILLAR trademark;
- (ii) The word Modern is laudatory and not distinctive; and
- (iii) Co-operative does not distinguish the company's name from Applicant's trademark.

[21.4] The Applicant submits that the Respondent is not limited to the specified business interest and can consequently expand to include the business interests of the Applicant;

[21.5] CATERPILLARS is confusingly similar to the CATERPILLAR trademark in relation to mining services which is identical to the services for which the caterpillar mark is registered and amount to trademark infringement of section 34(1)(a) and/or (b) of the Trade Mark Act;

[21.6] The use of the CATERPILLAR trademark as part of the Respondent is likely to take unfair advantage of and be detrimental to the distinctive character and repute of well known CATERPILLAR trade mark and amount to trademark infringement of section 34(1)(c) of the Trade Mark Act; and

[21.7] The use of the company's name MODERN CATERPILLARS CO-OPERATIVE takes unfair advantage of the extensive goodwill and reputation of CATERPILLAR trademark and brand and is likely to mislead members of the public into believing that there is some association or other relationship exist between the Applicant and the Respondent, which is not the case.

THE LAW

[22] The relief the Applicant seeks is in terms of section 160(1) of the Companies Act, which provides for the right to seek specific remedies in

respect of disputes concerning reservation or registration of company names and the relevant parts of the section reads:

"... 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."

[23] It is clear from this section that any person (another company, domesticated company, registered external company, cooperative or close corporation) who has an interest in the name of the company can apply to the Tribunal for relief.

[24] Section 160(2) of the Companies Act sets out the prescribed manner and form and reads:

"An application in terms of subsection (1) may be made—

(b) On good cause shown at any time after the date of the reservation or registration of the name that is the subject of the application, in any other case."

[25] The powers for determination of the Tribunal are set out in section 160(3) of the Companies Act and reads:

"After considering an application made in terms of subsection (1), and any submissions by the applicant and any other person with an interest in the name or proposed name that is the

subject of the application, the Companies Tribunal—

(a) Must make a determination whether that name satisfies the requirements of section 11; and

(b) May make an administrative order directing—

(ii) A company to choose a new name, and to file a notice of an amendment to its Memorandum of Incorporation, within a period and on any conditions that the Tribunal considers just, equitable and expedient in the circumstances, including a condition exempting the company from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph."

[26] Section 11 provides primarily for the protection against infringement of a registered company name or trademark and section 11(2) lays out the criteria for company names.

[26.1] Section 11(2)(a)(iii) provides that the name of a company must not be the same as 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), unless the registered owner of that

mark has consented in writing to the use of the mark as the name of the company;

[26.2] Section 11(2)(b) provides that the name of a company must not be confusingly similar to a name, trade mark, mark, word or expression unless the company, or a person who controls the company, is the registered owner of that defensive name or business name; and

[26.3] Section 11(2)(c)(i) provides that the name of a company must not 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, any other person.

[27] with reference to paragraph 22 and 23 above, it is important to emphasize that the Tribunal can make orders in respect of disputes concerning reservation or registration of company names.

[28] To determine whether the Companies Tribunal can make a determination in respect of a co-operative and not a company, we need to understand whether a company is inclusive of a co-operative.

[29] A “company” is defined in the Act as

“a juristic person incorporated in terms of this Act, a domesticated company, or a juristic person that, immediately before the effective date—

(a) Was registered in terms of the—

- (i) *Companies Act, 1973 (Act No. 61 of 1973), other than as an external company as defined in that Act; or*
- (ii) *Close Corporations Act, 1984 (Act No. 69 of 1984), if it has subsequently been converted in terms of Schedule 2;*
- (b) *Was in existence and recognised as an “existing company” in terms of the Companies Act, 1973 (Act No. 61 of 1973); or*
- (c) *Was deregistered in terms of the Companies Act, 1973 (Act No. 61 of 1973), and has subsequently been re-registered in terms of this Act;”*

[30] The Act defines ‘co-operative’ as a juristic person as defined in the Co-operatives Act No. 14 of 2005 (the ‘Co-operatives Act’) and the Co-operatives Act defines a co-operative as:

“an autonomous association of persons united voluntarily to meet their common economic and social needs and aspirations through a jointly owned and democratically controlled enterprise organised and operated on co-operative principles”

[31] From the definitions, it is clear that in these circumstances that a company and a co-operative is different.

[32] Consequently, any person can bring an application but it has to be in respect of a company name. Put differently, a co-operative can bring an application to the Tribunal in respect of a name dispute but a co-operative can never be the subject of a name dispute in which the Tribunal has to make a determination.

[33] The Co-operatives Act sets out the procedure and requirements that a applicant should follow if it objects to the name of a Co-operative.

[33.1] The Registrar of Co-operatives must register a co-operative and issue a certificate of registration, if the registrar is satisfied that the proposed name of that co-operative complies with section 10;

[33.2] Section 10 deals with the name of the co-operative and states that the proposed name of a co-operative must not be the same or so similar to that of an existing co-operative that it may be misleading or a name that is undesirable, prohibited or calculated to deceive, or otherwise, mislead; and

[33.3] Should the Registrar find that the co-operatives name does not satisfy the requirements of section 10, the Registrar should thereafter issue a directive for the name change.

CAN THE TRIBUNAL MAKE A DETERMINATION IN THIS CASE?

[34] The Tribunal is a creature of the Act and consequently has no inherent powers.

[35] In **Senwes v Competition Commission**² the court stated the principle as follows:

“In accordance with the constitutional principle of legality, it has to act within the powers conferred upon it by the Act terms of s 52(1) the Tribunal must conduct a hearing, subject to its rules, into any matter referred to it. The reverse side of this must be that the Tribunal has no power to enquire into and to decide any matter not referred to it.”

[36] In **Fedsure Life Assurance Ltd v Greater Johannesburg Transitional Metropolitan Council**³ also stated that

“These provisions imply that a local government may only act within the powers lawfully conferred upon it. There is nothing startling in this proposition - it is a fundamental principle of the rule of law, recognised widely, that the exercise of public power is only legitimate where lawful. The rule of law - to the extent at least that it expresses this principle of legality - is generally understood to be a fundamental principle of constitutional law. ...They may not transgress its provisions: indeed, their sole claim to exercise lawful authority rests in the powers allocated to them under the Constitution, and can come from no other source. ... It seems central to the conception of our constitutional order that the legislature and executive in every

² (118/2010)[2011] ZASCA 99, para 51- 52

³ 1999(1) SA 374 CC, para 56 - 59

sphere are constrained by the principle that they may exercise no power and perform no function beyond that conferred upon them by law.”

[37] The Tribunal therefore does not have necessary mandate to hear the case and make a determination.

ORDER

The Tribunal cannot make a determination in this case.

ADV LIZELLE HASKINS

MEMBER OF THE COMPANIES TRIBUNAL

DATED: 24 OCTOBER 2015