



**COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

CASE NO: CT010NOV2016

In the matter between:

COMAIR LIMITED

Applicant

and

**KULULAMILE TRADING (PTY) LTD
(Registration number: 2015/118053/07)**

First Respondent

and

THE COMMISSIONER OF COMPANIES AND INTELLECTUAL COMMISSION

Second Respondent

Decision handed down on 01 MARCH 2017

DECISION

INTRODUCTION

- [1] This is an application in terms of section 160 (3) (b) (ii) and Regulation 153 of the Companies Act No. 71 of 2008 ("the Act").
- [2] The Applicant applies for a default order that the Respondent be ordered to change its name, "KULULAMILE TRADING PROPRIETARY LIMITED" to one which does not incorporate a mark confusingly and/or deceptively similar to the Applicant's KULULA and KULULA.COM trade marks.

BACKGROUND

- [3] The Applicant is Comair Limited, a public company duly incorporated in terms of the Companies Act No. 71 of 2008, as amended with its registered address at 01 Marignane Drive, Bonaero Park, Johannesburg, Gauteng.
- [4] The Respondent is Kululamile Trading (Pty) Ltd, a private company duly incorporated in terms of the Companies Act No. 71 of 2008, as amended with its registered address at 1165 NU 17, Mdantsane, East London, Eastern Cape.
- [5] The Applicant is the registered proprietor of the "KULULA" names in classes 9, 12, 16, 25, 35, 36, 37, 38, 39, 40, 41, 42, 43 and 45 in the Republic of South

Africa in terms of the Trade Marks Act No. 194 of 1993.

[6] The name and mark “KULULA” is registered under the following class:

- a) 2002/18877 KULULA trademark in class 9 in respect of Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus;
- b) 2002/18878 KULULA trademark in class 12 in respect of Vehicles; apparatus for locomotion by land, air or water.
- c) 2012/18879 KULULA trademark in class 16 in respect of Paper and cardboard; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paintbrushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging; printers' type; printing blocks;

- d) 2002/18880 KULULA trademark in class 25 in respect of Clothing, footwear, headgear;
- e) 2002/18881 KULULA trademark in class 35 in respect of Advertising; business management; business administration; office functions.headgear;
- f) 2002/18882 KULULA trademark in class 36 in respect of Advertising; business management; business administration; office functions.headgear.
- i) 2001/10306 KULULA trademark in class 37 in respect of Building construction; repair; installation services;
- j) 2002/18883 KULULA trademark in class 38 in respect of Telecommunications;
- k) 2001/10307 KULULA trademark in class 39 in respect of Transport; packaging and storage of goods; travel arrangement;
- l) 2002/18884 KULULA trademark in class 41 in respect of Education; providing of training; entertainment; sporting and cultural activities;
- m) 2002/18885 KULULA trademark in class 43 in respect of Services for providing food and drink; temporary accommodation; and
- n) 2002/18886 KULULA trademark in class 45 in respect of Legal services; security services for the protection of property and individuals; personal

and social services rendered by others to meet the needs of individuals.

[7] Further, the Applicant is the registered proprietor of the “KULULA.COM” names in classes 37, 39 and 42 in the Republic of South Africa in terms of the Trade Marks Act No. 194 of 1993.

[8] The name and mark “KULULA.COM” is registered under the following class:

- a) 2002/05945 KULULA.COM trademark in class 37 in respect of Building construction; repair; installation services;
- b) 2002/05946 KULULA.COM trademark in class 39 in respect of Transport; packaging and storage of goods; travel arrangement; and
- c) 2002/05947 KULULA.COM trademark in class 42 in respect of Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

[9] The Applicant filed an objection to the name “KULULA” in terms of regulation 142 (1) (a) and (1) (b) of the Act.

[10] The applicant seeks the following relief:

- *That the Company be directed to choose a new name, as provided for in*

Section 160 (3) (b) (i) of the Act; and

- *That the Registrar of Companies be directed to change the name of the Respondent to the registration number, in the event of the Respondent not complying with paragraph 2 above within 60 days from the date of this order.*

APPLICABLE LAW

[11] Before I deal with the objection and/or application filed, I wish to highlight what I believe to be the relevant provisions of the Act.

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

[12] Section 11 (2) (a), (b) and (c) reads as follows:

The name of a company must –

(a) *not be the same as -*

(i) *the name of another company, domesticated company, registered external company, close corporation or co-operative;*

(ii) *a name registered for the use of a person, other than the company itself or a person controlling the company, as a defensive name in terms of the section 12 (9), or as a business name in terms of the Business Act,*

1960 (Act 27 of 1960), unless the registered user of that defensive name or business name has executed the necessary documents to transfer the registration in favour of the company;

(iii) a registered trade mark belonging to a person other than the company, or 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 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;

(iv) a mark, word or expression the use of which is restricted or protected in terms of the Merchandise Marks Act, 1941 (Act 17 of 1941), except to the extent permitted by or in terms of that Act;

(b) not be confusingly similar to a name, trade mark, mark, word or expression contemplated in paragraph (a) unless –

(i) in the case of name referred to in paragraph (a) (i), each company bearing any such similar name is a member of the same group of companies;

(ii) in the case of a company name similar to defensive name or to business name referred to in paragraph (a) (ii), in the company, or a person who controls the company, is the registered owner of that

defensive name or business name;

(iii) in the case of a name similar to a trade mark or mark referred to in paragraph (a) (iii), the company is the registered owner of the business name, trade mark, or mark, or is authorised by the registered owner to use it; or

(v) in the case of a name similar to a mark, word or expression referred to in paragraph (a) (iv), the use of that mark, word or expression by the company is permitted by or in terms of the Merchandise Marks Act, 1941;

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

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

(ii) is an organ of state or a court, or is operated, sponsored, supported or endorsed by the State or by any organ of state or a court;

(iii) is owned, managed or conducted by a person or persons having any particular educational designation or who is a regulated person or entity;

(iv) is owned, or operated, sponsored, supported or endorsed by, or enjoys

the patronage of, any –

(aa) foreign state, head of state, head of government or administration or any department of such a government or administration; or

(bb) international organisation; and

(cc) not include any word, expression or symbol that, in isolation or in context within the rest of the name, may reasonably be considered to constitute –

(i) propaganda of war;

(ii) incitement of imminent violence; or

(iii) advocacy of hatred based on race, ethnicity, gender or religion, or incitement to cause harm.”

EVALUATION

[13] The name and mark “KULULA” is a trade mark registered under the following class:

a) 2002/18877 KULULA trademark in class 9 in respect of Scientific, nautical, surveying, photographic, cinematographic, optical, weighing,

measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus;

b) 2002/18878 KULULA trademark in class 12 in respect of Vehicles; apparatus for locomotion by land, air or water.

c) 2012/18879 KULULA trademark in class 16 in respect of Paper and cardboard; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paintbrushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging; printers' type; printing blocks;

d) 2002/18880 KULULA trademark in class 25 in respect of Clothing, footwear, headgear;

e) 2002/18881 KULULA trademark in class 35 in respect of Advertising;

business management; business administration; office functions.headgear;

f) 2002/18882 KULULA trademark in class 36 in respect of Advertising; business management; business administration; office functions.headgear.

g) 2001/10306 KULULA trademark in class 37 in respect of Building construction; repair; installation services;

h) 2002/18883 KULULA trademark in class 38 in respect of Telecommunications;

i) 2001/10307 KULULA trademark in class 39 in respect of Transport; packaging and storage of goods; travel arrangement;

j) 2002/18884 KULULA trademark in class 41 in respect of Education; providing of training; entertainment; sporting and cultural activities;

k) 2002/18885 KULULA trademark in class 43 in respect of Services for providing food and drink; temporary accommodation; and

l) 2002/18886 KULULA trademark in class 45 in respect of Legal services;

security services for the protection of property and individuals; personal and social services rendered by others to meet the needs of individuals.

[14] The Deponent to the Applicant's affidavit Derek Henry Boer in paragraphs 4.3, 5.2, 5.3, 5.8, 5.9, 6.1 and 6.2 states that:

“

4.3 *The Applicant has, at least since 2001, been making widespread and extensive use of its **KULULA** trade mark in respect of its business as an airline. The Applicant operates under the trading style **KULULA** and **KULULA.com** and is well known to its public at large as an airline with exceptional low fares, online booking and easy checking-in-facilities. Since its launch, the Applicant has added to its travel offerings through partnerships with complementary service providers. Customers can book accommodation, car hire, taxis and adventure packages through its site. A partnership with Discovery Health resulted in the medical aid's Vitality members receiving discounts on booking with the Applicant.*

4.4 ...

4.5 ...

4.6 ...

4.7 ...

4.8 ...

4.9 ...

GROUND OF OBJECTION

5.1 ...

5.2 *The dominant and memorable portion of the Respondent's name, KULULAMILE TRADING (PTY) LIMITED, is "KULULAMILE", which wholly incorporates and is confusingly similar to the Applicant's well-known trade mark **KULULA**. The mere addition of the word "MILE" to the Applicant's well-known **KULULA** mark is not sufficient to distinguish the Respondent from the Applicant. In fact, it is likely to increase the likelihood that confusion will occur, as the Applicant is involved in the travel industry. The term MILE, when used in conjunction with the Applicant's **KULULA** trade mark, is likely to be interpreted to have the same meaning as MILE, when used in the context of SAA VOYAGER MILE. In other words, consumers are likely to interpret the term MILE as referring to AIRMILE, being a credit allocated to frequent flyers by airlines. In The remaining portion of the company name is descriptive and does not sufficiently distinguish the Respondent's name from the Applicant's trade mark.*

*The Respondent's name is, therefore, confusingly and deceptively similar to the Applicant's registered trade mark **KULULA**. Remerged*

- 5.3 *The Respondent's principal business has been stated as "Private Company", which would allow the company to conduct any type of business. As explained in more detail, the Applicant's attorneys attempted to establish the nature of the Respondent's business. A letter addressed to the Respondent, making such enquiries. In response, the Respondent contacted the Applicant's attorneys and advised that **the company is dormant** at this stage, but should it start trading, it would be involved in **stationery and printing**. Although the Applicant owns registered rights in respect of its KULULA trade mark in relation to class 16 goods (see paragraph 4.1.3 above), that is not the Applicant's main area of business and the Applicant would have been prepared to explore a settlement with the Respondent. The Applicant would have required the Respondent to provide a suitable undertaking in favour of the Applicant, so as to protect the Applicant's rights. As mentioned earlier, the Respondent initially agreed to provide such an undertaking. The Respondent's director subsequently indicated that he is not sure what the main activities of the Respondent would involve in the future, once it commences to trade. According to the Respondent, its future activities may, therefore, well involved the goods and/or services*

*covered by, or similar to, the goods and/or services covered by the Applicant's above trade mark registrations for its **KULULA** mark.*

[NOTE MY UNDERLINING AND EMPHASIS]

5.4 ...

5.5 ...

5.6 ...

5.7 ...

5.8 *I respectfully contend that the use of the company name, Kululamile Trading (Pty) Limited, by the Respondent, will take unfair advantage of the Applicant's **KULULA** trade mark and give the Respondent as springboard advantage because of its identity to the Applicant's trade mark. The Respondent will therefore derive an unfair trade advantage as a result of the distinctive character and the repute of the **KULULA** trade mark.*

5.9 *Furthermore, used of the mark KULULAMILE by the Respondent would be detrimental to the distinctive character and repute of the Applicant's **KULULA** trade mark. In trade it will result in diminution or dilution of the Applicant's rights in its **KULULA** trade mark, as it will*

open the door to use by others persons of trade marks that are identical or confusingly similar.

5.10 *The Applicant also has no control whatsoever over the activities of the Respondent and the quality of its products and services. If the Respondent's products or services are of an unacceptable standard or even of any other standard not identical to that of the Applicant, used of the trade mark KULULAMILE by the Respondent in relation thereto could well discredit or affect in some other way the good name and reputation which the Applicant enjoys in the trade. This would result in a serious dilution of the Applicant's rights.*

5.11 ...

5.12 ...

6.1 *Furthermore, in view of the extensive reputation that the Applicant enjoys in its **KULULA** trade mark, use of the Respondent's name in trade is likely to deceive or confuse members of the public, into believing that there is some connection between the Respondent and the Applicant, when this is not the case. In particular, members of the public are likely to believe that the Respondent is licenced to use the Applicant's trade mark, or that the Respondent was formed for the purpose of rendering services on behalf of the Applicant. Use of the*

Respondent's name therefore also amounts to passing-off at common law.

6.2 The Respondent's company name does not comply with the provisions of Section 11(2)(c) of the Act, in that it falsely implies, and suggested, and is such as would reasonably mislead a person to believe incorrectly, that the Respondent is part of, or associated with, the Applicant.

[15] The first issue is whether the name KULULA is the same as the registered trade mark or marks belonging to the Applicant and whether the name of the Respondent is confusingly similar to the trade mark, mark belonging to the Applicant.

[16] The second issue is whether the name KULULA would falsely imply or suggest, or be as would reasonably mislead a person to believe incorrectly, that the Respondent is part of, or associated with the Applicant.

FINDING

[17] The trade marks relied upon by the Applicant in respect of the alleged infringement under section 34(1) (b).

[18] I do not consider it necessary to deal with Applicant's alleged infringement under

section 34 (1) (b) of the Trade Mark Act as disputes relating to trade mark infringement does not fall within the jurisdiction of the Tribunal.

[19] In paragraph 5.3 the deponent to the Applicant's affidavit states that *"In response, the Respondent contacted the Applicant's attorneys and advised that the company is dormant at this stage, but should it start trading, it would be involved in stationery and printing."*

[20] The Applicant, in my view, could not distinguish its goods or service to that of the Respondent since the Respondent is dormant.

[21] The Applicant did not produce evidence of a market survey or any other independent evidence reflecting the public perception of the mark in the market place. The evidence indicated that the KULULA trade mark had been used

[22] No convincing evidence was furnished in which the use of the mark would reasonably mislead a person and/or consumers to believe that the Respondent is part of or associated with the Applicant. Confusingly similar to the trade mark, mark belonging to the Applicant.

[23] Further, no evidence was furnished in which the use of the mark would reasonably mislead a person and/or consumers to believe that the Respondent is part of or associated with the Applicant.

[24] In my view the application is not sufficient on the based on lack of evidence which

would reasonably mislead consumers to believe that the Respondent is part or associated with the Applicant.

[25] Therefore the application cannot succeed due to insufficient information, to conclude that consumers would reasonably believe that the Respondent is part of or associated with the Applicant, in support of its application.

ORDER

In the result the following order is made:

a) The Application is dismissed.

MMOLEDI MALOKANE

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Date: 02 MARCH 2017