

**IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA
(‘THE TRIBUNAL’)**

Case No.: CT001Nov2016

In the matter between:

GROWTHPOINT PROPERTIES LIMITED

Applicant

and

GROWTHPOINT PROPERTY DEVELOPMENT (PTY) 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 section 11(2) and further read with Regulation 13 and 142 of the Companies Act (GNR 351 of 265 April 2011) (the “Regulations”).

[2] The Applicant, in its application dated 3 November 2016 together with the affidavit of Roland Krabbenhoet and annexures, requests the Companies Tribunal (the “Tribunal”) to make an order that the Respondent is directed to choose a new name, on a default basis.

PARTIES

- [3] The Applicant is Growthpoint Properties Limited with registration number M1987/004988/06, a duly registered company and having its registered place of business at The Place, 1 Sandton Drive, Sandton.
- [4] The Respondent is Growthpoint Property Development (Pty) Ltd with registration number 2015/348177/07, a duly registered company and having its registered place of business at 328 Victoria Road, Pietermaritzburg, Kwa-Zulu Natal.

PROCEDURE

- [5] 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.
- [6] In accordance with Regulation 142 of the 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.
- [7] The Applicant filed the application and supporting affidavit with the Tribunal on 3 November 2016.
- [8] The Applicant served the application on the Respondent on 9 November 2016 by Sheriff by affixing a copy to the principal's front gate at the Respondent's registered address, 328 Victoria Road,

Pietermaritzburg, Kwa-Zulu Natal. A copy of the Sheriff's service notice was provided to the Tribunal.

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

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

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

[12] The Applicant filed an application for a default order with the Tribunal on 1 July 2016.

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

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

APPLICANT'S APPLICATION

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

[15.1] The applicant is the registered owner of the trademarks which are valid and enforce. Copies of the certified extracts for the

aforementioned trademark registrations were annexed to the applicant's affidavit marked Annexure RK5.

[15.2] The applicant submitted that, in the case with the Commissioner is called upon to determine whether a company or close corporation name offends section 11(2)(b) of the Companies Act, it is entitled to have regard to the law of trademarks embodied in the Trademark Act 194 of 1993, the previous Companies Act 67 of 1973, their predecessors and the body of jurisprudence that has grown up around these Acts with specific reference to issues of confusing similarity.

[15.3] In terms of the Old Companies Act, the central requirement in any company name objection was that the company name must be either undesirable or be calculated to cause damage. The 'calculated to cause damage' requirement is similar to the association requirement in section 11(2)(c)(i) of the Companies Act.

[15.4] Pursuant to the Old Companies Act, our courts, in considering company name objections, have held that where there is a likelihood that the public, or section thereof, might be misled by the similarity of the names under consideration, or where there is a serious risk of confusion of the public, then it ought to be held that the name is undesirable.

[15.5] Moreover, section 11 of the Companies Act is clarified any possible ambiguity by stating in plain words that a name which is the same as or is confusingly similar to a registered trade mark offends against the provisions of the Companies Act. It follows then that if the Commissioner finds that GROWTHPOINT, GROWTHPOINT PROPERTIES, GROWTH POINT PROPERTY DEVELOPMENT are confusingly similar in terms of basic principles of confusingly similarity, the respondent must be ordered to change its name.

[15.6] The authorities and confusing similarity between the names is *The South African Law of Trade Marks (4th edition)* by the authors Webster and Page. Where a comparison of marks or names is considered, due allowance must be made for the imperfection of human recollection. Furthermore, the competing marks or names must be compared as wholes with due consideration given to any dominant feature, and, in situations where the whole of the objector's mark has been adopted by the offender, whether the identity of the objector's mark has been lost.

[15.7] The approach which the Commissioner must therefore apply in determining the likelihood of confusion, is summarised in *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd*.

[15.8] the commissioners respectfully directed to a number of court decisions which illustrate the principle, i.e. *Metcash Trading Limited v Rainbow Cash and Carry CC* where RAINBOW STORES and RAINBOW CASH AND CARRY were found to be confusingly similar, the court said that it is unlikely that two service marks will be found side-by-side on the shelf but rather “the notional customer with imperfect recall would probably remember that goods can be purchased at the store was RAINBOW as its name. The additions of the words ‘STORE’ and ‘CASH & CARRY’ would merely be indicative of a place where products are sold”.

[15.9] The principle of ‘dominant feature’ was dealt with in *Searle Industrials (Pty) Ltd v International Power Marketing (Pty) Ltd* 1982 4 SA 123 (T) at 168H, where Margo J held that “the conclusion to be drawn from the authorities is that... the comparison is to be made between the main idea or impression left on the mind by each of the marks having regard to any essential or salient or leading or striking feature in each”.

[15.10] The notional customer will in all probability remember GROWTHPOINT as the name of the organization, which offer services in much the same way that RAINBOW was held to be so remembered in the decisions referred to above. This is an even more likely confusion when the dominant features of both marks are compared. It is submitted that GROWTHPOINT is the salient or striking feature in

GROWTH POINT PROPERTY DEVELOPMENT, GROWTHPOINT
and GROWTHPOINT PROPERTIES.

[15.11] The adoption by the respondent of the striking feature, GROWTH POINT, into the name Growth Point Property Development (Pty) Ltd does nothing to obscure or otherwise change the identity of the applicant's registered trademarks.

THE APPLICABLE LAW

[16] The relief the Applicant seeks is in terms of section 160(1) of the 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."

[17] It is clear from this section that any person who has an interest in the name of the company can apply to the Tribunal for relief.

[18] Section 160(2) of the 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.”

[19] The powers for determination of the Tribunal are set out in section 160(3) of the 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.”

[20] 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.

[20.1] 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;

[20.2] Section 11(2)(b)(iii) 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 the business name, trade mark or mark or is authorized by the registered owner to use it; and

[20.3] 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.

EVALUATION

[21] In terms of subsection 2(a), the Tribunal has to determine whether the Respondent's company name is the same as the Applicant's trademark. The Applicant is the registered owner of GROWTHPOINT trademark in various classes. The Respondent has used the word GROWTHPOINT in its company name. GROWTHPOINT can be considered as the main or dominant feature. However, the addition of PROPERTIES DEVELOPMENT to GROWTHPOINT makes the company name of the respondent dissimilar to the Applicant's trademark.

[22] In terms of subsection 2(b), the Tribunal has to determine whether the Respondent's company name is confusingly similar to the name or trademark of the Applicant. The Companies Act does not define or explain what is meant by "confusingly similar" in subsection 2(b). However, there has been several disputes in which elements or other instruments are said to be "confusingly similar" in trademarks as opposed to company names. For example, section 34(2)(g) of the Trade Marks Act 194 of 1993. "Similar" would be "having a marked resemblance or likeness" and that the offending mark (or name) should immediately bring to mind the well-known trademark (or other name).¹ As to the requirement for "confusingly" similar, the test, as in the case of passing-off, should be "...a reasonable likelihood that ordinary members of the public, or a substantial section thereof, may be

¹ Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA).

confused or deceived into believing that the goods or merchandise of the former are the goods or merchandise of the latter or are connected therewith. Whether there is such a reasonable likelihood of confusion or deception is a question of fact to be determined in the light of the particular circumstances of the case”². The respondents name has a marked resemblance or likeness to the applicants name and trademarks and that the offending name immediately brings to mind the well-known GROWTHPOINT trademark.

[23] The same principles in respect of subsection (2)(b) would also apply in respect of subsection (2)(c) because in this instance, apart from the requirement that the name must falsely imply, which, it is submitted, requires fault, it can, alternatively also “reasonably mislead a person to hold a certain belief”.

[24] When considering the notional customer, comparing the names and marks and how the names are viewed as they are encountered in the

² Adidas AG & another v Pepkor Retail Limited (187/12) [2013] ZASCA 3 (28 February 2013) para 28; Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others 1977 (2) SA 916 (A) at 929. In this regard, the Applicant in the **Century City Property Owners Association v Century City Apartments Property Services CC and Others** (17225/2005) [2008] ZAWCHC 63 (26 November 2008) case had a vested right in the name CENTURY CITY in that it was registered as its trademark. The court found that there was a reasonable likelihood that first respondent’s business name may confuse or deceive the public into believing that the first respondent’s business is or is connected with applicant’s business and that that confusion or deception will probably cause damage to applicants business.

market place, I agree with the Applicant that the notional customer will in all probability remember GROWTHPOINT as the name of the organization and that the words 'PROPERTIES' and 'PROPERTY DEVELOPMENT' would merely be indicative of the product the customer is looking for. GROWTHPOINT is the dominant feature and is the main idea or impression left on the mind of the customer.

FINDINGS

[25] The name GROWTHPOINT PROPERTY DEVELOPMENT is confusingly similar to GROWTHPOINT PROPERTIES and that there is a reasonable likelihood of confusion.

ORDER

I 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) This Order must be served on the applicant, respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.

- c) 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 Order, apply to a court to Review the Order.

ADV LIZELLE HASKINS

MEMBER OF THE COMPANIES TRIBUNAL

DATED: 23 MARCH 2017