

THE COMPANIES TRIBUNAL OF SOUTH AFRICA

CASE NO: CT018Nov2014

In the matter between:

Gail Symanowitz

Applicant

Trading as Gift Spot

and

Gift Spot (Proprietary) Limited

Respondent

(Registration number: 2013/215045/07)

Coram: S. Gounden

Decision handed down on 12 August 2015

DECISION

INTRODUCTION

- [1] The Applicant applies in terms of section 160 of the Companies Act 71 of 2008 (“Act” / “Companies Act”) and regulations 143 and 153 of the Companies Regulations (GN R351 in GG 34239 of 26 April 2011) (“Companies Regulations” / “regulations”) for a default order that the respondent be ordered to choose a new name (and to change its name) and file an amendment accordingly;

BACKGROUND

- [2] The Applicant has made application to register the trademark “Gift Spot” on 21 October 2014 and has been conducting business and trading under that name since 2005.
- [3] The Applicant filed an objection to the name “Gift Spot” as stated above as prescribed by regulation 142 (1) (a), together with a supporting affidavit as required by regulation 142 (1) (b). Gail Symanowitz has signed the affidavit and a resolution, which states that she was duly authorised to act for and on behalf of the Applicant.
- [4] The application was served on the respondent on the 19 November 2014. In terms of regulation 142 (2) it should be served on the respondent within 5 days of filing it with the Companies Tribunal. The date on the CTR 142 is the 14 November 2014.
- [5] Regulation 142 provides as follows:
- “(2) The applicant must serve a copy of the application and affidavit on the respondent named in the application, within 5 business days after filing it.”
- [6] In terms of regulation 153 (1) read with regulation 143 (1), the first respondent has 20 days to respond, failing which the Applicant is entitled to apply for a default order as provided for in regulation 153 (1).
- [7] The Applicant therefore applies to the Companies Tribunal in terms of regulation 153 (2) that said Companies Tribunal makes a default order in terms of regulation 153 (1).

ISSUES

- [8] The Applicant requests that the Companies Tribunal grants the relief in the form that the Respondent be ordered to choose a new name (and to change its name) and file an amendment accordingly; on the grounds that the use of the name “Gift Spot” by the Respondent is in contravention of sections 11 (2) (a) (b) and (c) (i) of the Companies Act.

- [9] The Applicant has made an **application** on 21 October 2014 to the register the trade mark “Gift Spot” in South Africa under trade mark registration numbers:
- 2014/28600; class 35 – in respect of retail and wholesale, including on line gift ordering services; advertising.
- [10] The Applicant submit that the dominant and memorable feature of the Respondent’s name “Gift Spot” is the word “Gift Spot”, which is visually, phonetically and conceptually the same to the Applicant’s “Gift Spot” trading name.
- [11] The Applicant claim that the Respondent’s principal business is not disclosed. However, the name encompasses the services for which the Applicant has made an application to register its trademark right.

APPLICABLE LAW

- [12] The jurisdiction of the Companies Tribunal is stated in section 160 of the Act and is as follows:
- “(1) A person to whom a notice is delivered in terms of this Act with respect to an application for reservation of a name, registration of a defensive name, application to transfer the reservation of a name or the registration of a defensive name, or the registration of a company’s name, 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, or the reservation, registration or use of the name, or the transfer of any such reservation or registration of a name, satisfies the requirements of this Act.
- (2) An application in terms of subsection (1) may be made—
- (a) within three months after the date of a notice contemplated in subsection (1), if the applicant received such a notice; or
- (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.
- (3) 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, or the reservation, registration or use of the name, or the transfer of the reservation or registration of the name, satisfies the requirements of this Act; and
- (b) may make an administrative order directing—
 - (i) the Commission to—
 - (aa) reserve a contested name, or register a particular defensive name that had been contested, for the applicant;
 - (bb) register a name or amended name that had been contested as the name of a company;
 - (cc) cancel the reservation of a name, or the registration of a defensive name; or
 - (dd) transfer, or cancel the transfer of, the reservation of a name, or the registration of a defensive name; or
 - (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.”

[13] Section 11 (2) of the Companies Act, as far as it is relevant for the present application, provides as follows:

“(2) 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;...
- (b) not be confusingly similar to a name, trade mark, mark, word or expression contemplated in paragraph (a) unless,—

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

EVALUATION

- [14] The question that needs to be answered is whether “Gift Spot” as in the name of the Respondent is in contravention of sections 11 (2) (a) (b) and (c) (i) of the Companies Act.
- [15] “Gift Spot” as used by the Applicant is a trading name and has not registered the name of the company. The name of the Respondent, “Gift Spot” is the same as the name of the Applicant. However the Respondent’s name was registered in 2013 and the Applicant only applied to register its trademark in 2014. Therefore there is no contravention of section 11 (2) (a) (i).
- [16] “Similar” as in section 11 (2) (b) 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): *Bata Ltd v Face Fashions CC* 2001 (1) SA 844 (SCA). 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 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.”: *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.

[17] Section 11 (2) (c) (i) therefore requires that the name of a company must not:

- falsely imply or suggest that the company is part of or associated with any other person or entity
- be such that the name would reasonably mislead a person to believe that the company is part of or associated with any other person or entity

[18] The same principles as in respect of section (2) (b) (i) would also apply in respect of section (2) (c) (i) 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. The requirements to “reasonably believe”, should be the same as in *Adidas AG & another v Pepkor Retail Limited case supra*; *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others case supra*.

FINDINGS

[19] The name of the Respondent is not in contravention of section 11 (2) (a), (b) and (c) of the Companies Act.

[20] The Respondent has registered the name of the company in 2013 which is prior to the Applicant making an application to register a trade mark.

ORDER

[21] The application is refused.

S. Gounden
MEMBER OF THE
COMPANIES TRIBUNAL
Pretoria
12 August 2015