

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

Case No.: CT0005Jun2016

In the matter between:

COMAIR LIMITED

Applicant

and

KULULU PROJECTS (PTY) LTD

First Respondent

and

THE COMMISSIONER OF COMPANIES

Second Respondent

DECISION

- [1] This is an application in terms of section 160 of the Companies Act 71 of 2008 (the “Act”), section 11(2) and 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 14 June 2016 together with the affidavit of Derek Henry Borer 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 Comair Limited with registration number 1967/006783/06, a duly registered company and having its registered address at 1 Marigane Drive, Bonaero Park, Johannesburg. The Applicant is the proprietor of the well-known KULULA trademark.
- [4] The Respondent is Kululu Projects (Pty) Ltd with registration number 2015/105637/07, a duly registered company and having its registered address at 4 Ryder Road, Bordeaux, Randburg.

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 14 June 2016.
- [8] The Applicant served the application on the Respondent on 17 June 2016 by Sheriff on the first Respondent by affixing a copy to the main gate at its registered premises. 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 22 August 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 grounds of objection against the first Respondents name:
- [15.1] The Applicant has, at least since 2001, been making widespread and extensive use of its KULULA trademark in respect of its business as an airline. KULULA and KULULA.com have therefore become well known to the public at large.

[15.2] The Applicant's use of its KULULA trademark includes various prominent and very successful advertising campaigns.

[15.3] The Applicant has spent considerable amounts of money in promotion and advertising and has as a result acquired a substantial reputation and common law rights in its KULULA trademark.

[15.4] The Applicant's trademark has become an asset of considerable commercial value and importance to the Applicant.

[15.5] The only dominant and memorable portion of the first Respondents name is KULULU in KULULU Projects (Pty) Ltd, which is visually and phonetically confusingly similar to the Applicant's well-known trademark KULULA. Projects (Pty) Ltd is descriptive and does not sufficiently distinguish the first Respondent's name from the Applicant's trademark. The first Respondent's name is therefore confusingly and deceptively similar to the Applicant's registered trademark.

[15.6] The first Respondents principal business has been stated as 'private company', which allows the first Respondent to conduct any type of business.

[15.7] The first Respondent's use of the KULULU name is also likely to take unfair advantage of, or be detrimental to, the distinctive

character and repute of the Applicant's well-known KULULA trademark.

[15.8] The use of the first Respondent's name KULULU can potentially discredit or affect the good name and reputation of the Applicant if the products or services provided are of an unacceptable standard or even on a standard that is not identical to the Applicant's standard.

[15.9] The Applicant has not authorized the first Respondent to use its company name.

[15.10] The use of the first Respondent's name in trade is likely to deceive or confuse members of the public into believing that there is some connection between the first Respondent and the Applicant, i.e. that the first Respondent is licensed to use the Applicant's trademark or that the first Respondent was formed for the purpose of rendering services on behalf of the Applicant.

[15.11] The first Respondent's company name falsely implies and suggests as is such as would reasonably mislead a person to believe incorrectly that the first Respondent is part of or associated with the Applicant.

[15.12] The first Respondent, on 2 September 2015, indicated that all the company's directors agreed that the first Respondent would, immediately, apply to Close Corporations of the Companies and

Intellectual Property Commission to change the company name
in view of the Applicant's concerns.

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,
[L
SEP] 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—[L
SEP]*

*(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), ^L_{SEP} 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—^L_{SEP}

(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 ^L_{SEP} 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)(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

[20.2] 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(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". 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 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

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

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”². The first Respondent’s name has a marked resemblance or likeness to the Applicants trademark and that the offending name immediately brings to mind the well-known KULULA trademark.

[22] 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”.

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.

FINDINGS

[23] The name KULULU Projects is confusingly similar to Comair Limited's trademark KULULA and that there is a reasonable likelihood of confusion.

ORDER

I make an order in the following terms:

- a) The first 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, the Respondents 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: 10 OCTOBER 2016