

**IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA**

**("THE TRIBUNAL")**

**CASE NUMBER: CT017NOV2014**

**SKYNET SA (PTY) LTD**

**APPLICANT**

and

**SKYNET TRADING (PTY) LTD**

**RESPONDENT**

**Coram: PJ Veldhuizen**

**Order delivered 17 April 2015**

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**ORDER**

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**1. THE PARTIES**

1.1. The Applicant is **SKYNET SA (PTY) LTD** ("the Applicant"), a company incorporated and existing under the company laws of the Republic of South Africa, having its principal place of business at No 6 Goodenough Avenue, Epping 2, Goodwood, Western Cape, Republic of South Africa.

1.2. The Respondent is **SKYNET TRADING (PTY) LTD** ("Respondent"), a company incorporated and existing under the company laws of the Republic of South Africa, having its registered office at No 16 Frylink Street, Kuruman, Northern Cape, Republic of South Africa.

## 2. THE APPLICATION

2.1. This is an application brought in terms of Section 160 of the Companies Act No. 71 of 2008 ("the Act") for an Order confirming that the name **SKYNET TRADING (PTY) LTD** (2011/078530/23) does not satisfy the requirements of Section 11 of the Act and that the Respondent be directed by the Companies Tribunal ("the Tribunal") to choose a new name, as provided for in section 160 (3)(b)(ii) of the Act.

2.2. The Applicant is the proprietor of the well-known trademark **SKYNET WORLDWIDE EXPRESS** which it has registered in South Africa in Class 39 in respect of "*transport and storage*".

2.3. I am accordingly satisfied that the Applicant has the necessary *locus standi* to bring this application.

2.4. The Applicant has filed an objection to the use of the word **SKYNET** by the Respondent in its company name, as prescribed by Regulation 142 (1)(a) and has, in support of its objection, filed an affidavit by *inter alia* its duly authorized Financial Director, **WILLIAM FERDINAND VAN DER MERWE**, setting out the facts on which the application is based, as required by regulation 142 (1)(b).

2.5. Further affidavits of 13 November 2014 and 26 March 2015 have been filed by **CHARNE LE ROUX**, the Applicant's attorney. The former affidavit deals with the law as it pertains to the application and the latter the procedural aspects of the Application.

2.6. The gravamen of the Applicant's objection is that the Respondent's name incorporates the word **SKYNET** which is confusingly similar to the Applicant's registered, well-known **SKYNET WORLDWIDE EXPRESS** trademark and therefore falls foul of the provisions of Section 11 of the Act.

### **3. THE PROCEDURAL ASPECTS**

3.1. The Applicant has, in my view, complied with all aspects related to the service of the Application on the Respondent and the filing with the Tribunal.

3.2. In terms of Regulation 153 (1) read with Regulation 143 (1), the Respondent had twenty (20) days to respond, failing which the Applicant would be entitled to apply for a Default Order, as applied for.

3.3. No response has been received from the Respondent and the Applicant accordingly applies to the Tribunal in terms of Regulation 153 (2) that the Tribunal make a Default Order in terms of Regulation 153 (1).

### **4. THE RELIEF SOUGHT**

The Applicant seeks an Order directing that the Respondent select an alternative name which does not consist of, or incorporate, any word confusingly or deceptively similar to the Applicant's registered trademark, or any other mark which is confusingly and/or deceptively similar to the Applicant's registered trademark.

### **5. THE LAW**

5.1. The regulation of disputes concerning the reservation or registration of company names and the jurisdiction of the Tribunal is set out in Section 160 of the Act:

(1) –

*A person to whom a notice is delivered in terms of this Act with respect to an application for a 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 the 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); 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 the name that had been contested as the name of the 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.*

*(4) –*

*within 20 business days after receiving a notice or decision issued by the Companies Tribunal in terms of this section, an incorporator of a company, a company, a person who received a notice in terms of section 12(3) or 14(3), an applicant under subsection (1) and any other person with an interest in the name or proposed name that is the subject of the application, as the case may be, may apply to court to review the notice or decision.*

5.2. The restrictive criteria for the names that may be chosen by a company is set out in Section 11 (2) of the Act:

*(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;*

*(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 section 12(9), or as a business name in terms of the Business Names 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 trademark belonging to a person other than the company, where mark in respect of which an application has been filed in the Republic for registration as a trademark or a well-known*

*trademark is 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; or*

*(iv) a mark, word or expression 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 and were in terms of that Act;*

*(b) not to 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;*

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

*(iv) 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 and 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) is 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 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) it is owned, operated, sponsored, supported or endorsed by, or enjoys the patronage of, any –*

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

*(bb) international organisation; and*

*(d) 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) the propaganda for war;*

*(ii) incitement of imminent violence; or*

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

## **6. THE APPLICATION OF THE LAW TO THE FACTS**

6.1. The crisp question requiring an answer is whether the use of the word **SKYNET** in the company name of the Respondent amounts to a contravention of sections 11(2)(a)(iii) and / or (2)(b) of the Act.

6.2. The case law considered includes three recent Supreme Court of Appeal Decisions:

6.2.1. **PUMA AG RUDOLF DASSLER SPORT v RAMPAR TRADING (PTY) LTD & OTHERS 2010 BOP 317 (SCA)**, Harms DP, in commenting on the test for a likelihood of confusion, stated: “As counsel for Puma reminded us, the question of the likelihood of confusion or deception is a matter of first impression and that

*one should not peer too closely at the registered mark and the alleged infringement to find similarities and differences.”*

6.2.2. **ADCOCK INGRAM INTERLECTUAL PROPERTY (PTY) LTD AND ANOTHER v CIPLA MEDPRO (PTY) LTD AND ANOTHER 2012 BIP 113 (SCA)**, Malan JA, when assessing the test for passing off stated: *“One must make allowance for the imperfect recollection and the effect of careless pronunciation rather than comparing the two words letter by letter or syllable by syllable”*

6.2.3. **METTERHEIMER v ZONQUASDRIF VINEYARDS CC & OTHERS 2014 (2) SA 204 (SCA)**, Brand JA, in determining what should be considered when assessing a likelihood of confusion in a trade mark infringement case where the respective marks were identical, confirmed that (a) the use of the respective goods (b) the users of the respective goods (c) the physical nature of the goods and (d) the respective trade channels through which the goods reach the market are all applicable considerations, but that *“it is clear the list of proposed considerations was never intended to be exhaustive”*.

## **7. FINDINGS**

7.1. When considering the utilisation by the Respondent of the word **SKYNET** in its company name in the light of the:

- 7.1.1. Sections of the Act set out above;
- 7.1.2. Judgments referred to above, of the Higher Courts;
- 7.1.3. Extensive reputation, goodwill and concomitant common law right enjoyed by the Applicant in the word **SKYNET**;
- 7.1.4. Recognised and registered intellectual property rights in the trademark incorporating the word **SKYNET**;



I am satisfied that the Respondent's conduct amounts to a contravention of section 11 (2)(a)(iii) and / or 11 (2)(b) of the Act.

## **8. ORDER**

8.1. The application that the Respondent is directed to select an alternative name which does not consist of or incorporate any word confusingly or deceptively similar to the Applicant's registered trademarks, or any other mark which is confusingly and/or deceptively similar to the applicant's registered trademarks **IS GRANTED**, with costs.

8.2. The respondent is directed to attend to this selection of an alternative company name by 15 June 2015;



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**PJ VELDHUIZEN**  
**MEMBER OF THE COMPANIES TRIBUNAL**  
**CAPE TOWN**