

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

**("THE TRIBUNAL")**

**CASE NUMBER: CT017JUL2015**

**In the matter between:**

**TOTAL S.A.**

**APPLICANT**

and

**HYDROSEALCP3 (PTY) LTD**

**FIRST RESPONDENT**

**COMMISSIONER OF COMPANIES**

**SECOND RESPONDENT**

**Coram: PJ Veldhuizen**

**Order delivered: 2 November 2015**

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**ORDER**

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**[1]    Introduction**

1.1.    This is an application brought in terms of section 160 of the Companies Act No 71 of 2008 ("the Act") where the Applicant applies to the Tribunal for a determination on whether the First Respondent's name satisfies the requirements of the Act.

1.2.    The issues to be decided by the Tribunal are whether, the Applicant has an interest in bringing this application, whether the First Respondent's name contravenes section 11 of the Act and whether

the application has been made timeously alternatively whether good cause has been shown for any delay.

**[2]     Background**

- 2.1. The Applicant is the holder of several registered trademarks and in particular the trademark HYDROSEAL.
- 2.2. The First Respondent's name includes the word HYDROSEAL.
- 2.3. The Applicant became aware of the First Respondent's registration in October 2014 when it was notified by its attorneys of record of the publication of the First Respondent's registration in the South African Government Gazette dated 19 April 2013.
- 2.4. The Applicant caused its attorneys of record to address a letter of demand to the First Respondent, *inter alia*, demanding that it change its name.
- 2.5. The First Respondent has failed to change its name.

**[3]     Relief sought**

- 3.1. The Applicant applies to the Tribunal for a Default Order in the light of the First Respondent's failure to respond to the application filed.
- 3.2. The Applicant requests the Tribunal to order:
  - 3.2.1. the First Respondent to change its name to one which does not incorporate and is not confusingly and/or deceptively similar to the Applicant's trademark HYDROSEAL; and

- 3.2.2. in the event that the First Respondent fails to do so, within three (3) months, that the Second Respondent be directed to record the First Respondent's registration number followed by "(Pty) Ltd" as the First Respondent's interim company name on the company's register.

**[4] Legislation relied upon**

- 4.1. 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.*

4.2. 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 ministry; 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.*

**[5] Issues to be decided**

**Interest in the application**

5.1. The Applicant alleges that it is the registered owner of the trademark HYDROSEAL and that it has used and continues to use the aforementioned trademark in the course of its trade in South Africa.

5.2. The Applicant further alleges significant financial interest in the name HYDROSEAL.

5.3. Section 160 of the Act provides that any person with an interest in the name of a company may make application to the Tribunal.

**Contravention of section 11 of the Act**

The Applicant alleges that:

5.4. The First Respondent's name is confusingly similar to its registered trademark; and

5.5. The First Respondent utilises the Applicant's trademark in relation to the very same business conducted by the Applicant and therefore confusion is inevitable.

**Timeous application alternatively good cause shown**

The Applicant alleges that:

5.6. When it became aware of the First Respondent's existence in October 2014, it immediately consulted its attorneys, who took steps to settle the matter *"amicably between the parties without formal proceedings"*; and

5.7. In relation to service of the papers in this application, it has taken all reasonable steps to comply with the legislation and to bring the matter to the attention of the First Respondent.

**[6]     Evaluation of evidence**

6.1. It is clear that the Applicant holds significant and valuable rights both in terms of its registered trademark and the common law in the word HYDROSEAL. The Applicant therefore clearly has an interest, as is required by the Act.

6.2. The use of the Applicant's registered trademark in the name of the First Respondent will undoubtedly cause confusion especially taking into consideration that they operate in the same field. This amounts to a contravention of section 11 of the Act.

6.3. The Tribunal accepts that the Applicant has shown good cause for any delay in bringing this application.

6.4. In the premises, the Applicant has complied with the requirements of section 160 of the Act.

**[7]     Decision**

For the reasons above, the Tribunal is satisfied that the Applicant is entitled to the relief sought and accordingly the following Order is made:



- 7.1 the First Respondent is ordered to change its name to one which does not incorporate and is not confusingly and/or deceptively similar to the Applicant's trademark HYDROSEAL; and
- 7.2 in the event that the First Respondent fails to comply with the order set out in paragraph 7.1, within three (3) months, that at the Second Respondent is directed, in terms of section 160 (3) (b) (ii) read with section 14 (2) (b) (i) of the Act, to record with the First Respondent's registration number followed by "(Pty) Ltd", as the First Respondent's interim company name on the companies register.
- 7.3 that the First Respondent pay the costs of the Application.



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