

THE COMPANIES TRIBUNAL OF SOUTH AFRICA

CASE NO: CT018May2016

In the matter between:

Kganya Brands (Proprietary) Limited and

Kganya Investment Holdings (Proprietary) Limited

Applicants

and

Kganya Ya Naledi Projects JW (Proprietary) Limited

(Registration number: 2015/063981/07)

First
Respondent

**Commissioner of the Companies and Intellectual Property
Commission**

Second
Respondent

Coram: S. Gounden

Decision handed down on 30 September 2016

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 change its name and file an amendment accordingly;

BACKGROUND

- [2] The Applicant is the proprietor of the trademark “Kganya” and has been conducting business under that name.

- [3] The Applicant filed an objection to the name “Kganya Ya Naledi Projects JW” as stated above as prescribed by regulation 142 (1) (a), together with a supporting affidavit as required by regulation 142 (1) (b).
- [4] The application was served by the Sheriff to the Respondent on 8 August 2016. In terms of regulation 142 (2) it should be done within 5 days of filing it with the Companies Tribunal.
- [5] Marc Leslie Barnett De La Harpe has signed the affidavit and has stated that he was duly authorised to act for and on behalf of the Applicant.
- [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 says that the Companies Tribunal makes a default order in terms of regulation 153 (1).

ISSUES

- [8] A resolution of the Board of the Applicant authorising Marc Leslie Barnett De La Harpe to act for and on behalf of the Applicant was included in the application.
- [9] The Applicant requests that the Companies Tribunal grants the relief in the form that the Respondent is ordered to change its name and file an amendment accordingly; on the grounds that the use of the name “Kganya” by the Respondent is in contravention of sections 11 (2) (b) and (c) (i) of the Companies Act.
- 10] The Applicant is the registered proprietor of the “Kganya” trade mark in South Africa under trade mark registration number:
- 1997/12184; class 42 – in respect of wholesale, retail, marketing, promotional, services relating to provision of temporary accommodation & provision of food and drink, medical, hygienic & beauty care services,

professional services, advisory & consulting services, services ancillary & related to the foregoing;

- 1997/12183; class 41 – in respect of education, providing of training, entertainment, sporting & cultural activities, services ancillary and related to the foregoing;
- 1997/12182; class 36 – in respect of insurance services including those rendered by agent of broker & insurance underwriting services, financial & monetary affairs, investment trust, holding company, financial planning, real estate affairs, services ancillary & related to the foregoing;
- 1997/12181; class 35 – in respect of advertising and marketing services, business management & business administration services including business consultancy services, services ancillary and related to the foregoing;

[11] The Applicant submits that the dominant and memorable feature of the Respondent's name "Kganya Ya Naledi Projects JW" is the word "Kganya", which is visually, phonetically and conceptually identical to the Applicant's "Kganya" trade mark. The Applicant contends that the remaining portion "Ya Naledi Projects JW" is insufficient to distinguish the Respondent from the Applicant.

[12] The Applicant claim that the Respondent's principal business is not disclosed. However, the addition of the descriptive words "Ya Naledi Projects JW" to its name does not distinguish itself from the striking "Kganya" for which the Applicant has a registered trademark right.

APPLICABLE LAW

[13] 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.”

[11] 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

[12] The question that needs to be answered is whether “Kganya Ya Naledi Projects JW” as in the name of the Respondent is in contravention of sections 11 (2) (b) and (c) (i) of the Companies Act.

[17] “Kganya” as used by the Applicant is a trading name and is the name of the company. The name of the Respondent, “Kganya Ya Naledi Projects JW” is not the same as the name of the Applicant, and therefore there is no contravention of section 11 (2) (a) (i).

[18] “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.

The name of the Respondent, “Kganya Ya Naledi Projects JW” therefore cannot clearly be confusingly similar to the trademark of the Applicant, which is “Kganya”. In fact it is not clearly similar, and therefore there is no contravention of section 11 (2) (b) (i).

[19] 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

[20] 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*.

In this case, using the name “Kganya Ya Naledi Projects JW” would not reasonably mislead a person to believe that the company is associated with “Kganya” trademark, as Kganya is not a dominant and memorable part of the name. The words behind, being the remaining portion of the name does distinguishes the name from that of the applicant.

FINDINGS

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

[22] It can be said that “Kganya Ya Naledi Projects JW” will not reasonably mislead the reasonable man (person) to believe incorrectly that there is an association with “Kganya”. The whole name “Kganya Ya Naledi Projects JW” in not undesirable as the name is not confusingly and deceptively similar to the trademark “Kganya” registered by the Applicant.

ORDER

[23] The application for the Respondent to choose a new name, (and change its existing name) and file an amendment to CIPC accordingly has **not** been granted as “Kganya” is not a dominant and memorable feature of the whole name of the Respondent, “Kganya Ya Naledi Projects JW”.

S. Gounden

**MEMBER OF THE COMPANIES
TRIBUNAL**

Pretoria

30 September 2016