

**IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA
(PRETORIA)**

Case No.: CT 003FEB2015

In the matter between:

FOUNTAINHEAD PROPERTY TRUST

Applicant

and

CENTURION SUBURBS MALL (PTY) LTD

Respondent

DECISION

INTRODUCTION

[1] This is an application requesting a default order against the Respondent in terms of section 11(2) and section 160 of the Companies Act 71 of 2008 (the “Companies Act”) read with Regulation 153 of the Companies Act (GNR 351 of 265 April 2011) (the “Companies Regulations”).

[2] The Applicant requests that the Respondent be ordered to choose a new name and file a Notice of Amendment to its Memorandum of Incorporation because it is contrary to sections 11(2)(a)(ii), 11(2)(a)(iii), 11(2)(b)(ii), 11(2)(b)(iii) and 11(2)(c)(i) of the Companies Act.

[3] On the 1st of July 2015 I made an order that directed the Applicant to serve the application for default on the Respondent as is required in terms of Regulation 153(2)(b) on the basis that the Applicant did not serve the application for default on the Respondent.

[4] The Applicant subsequently provided the Tribunal with a registered post receipt, which indicated that the Applicant previously served the application for default on the Respondent.

[5] Under these circumstances, I am now satisfied that the application for a default order by the Applicant was adequately served on the Respondent.

[6] I now proceed to deal with the merits of the case hereunder.

PARTIES

[7] The Applicant is Fountainhead Property Trust, with registration No. 1983/0332406 and having its place of principal business situated at Redifine Place, 2 Arnold Road, Rosebank, Gauteng, 2196.

[8] The Applicant is the registered proprietor of numerous trade mark registrations and more specifically, trade mark registration No.'s.

2009/03949 and 2009/03950 “CENTURION MALL” in classes 35 and 36.

- [9] The Respondent is Centurion Suburbs Mall (Pty) Ltd with registration No. 2013/189857/07 and having its registered address at 1 Mowbray Avenue, Benoni, Gauteng, 1500.

BACKGROUND

- [10] The Applicant relies on the following facts in support of its application:

[10.1] The Applicant has been using and continues to use the CENTURION MALL trade mark since 1983 in respect of the well known super regional shopping center, which is built alongside the man made Centurion Lake together with adjacent offices, retail and hotel.

[10.2] The Applicant uses its CENTURION MALL trade mark in relation to the shopping center, which has more than 225 stores and restaurants and entertainment.

[10.3] CENTURION MALL is one of the ultimate shopping destinations in Pretoria, the following stores as its main anchor stores; namely, Woolworths, Edgars, Pick n Pay, Checkers Hyper,

Game, Foschini's, Mr Price, Toys R Us, Dischem and Boardmans.

[10.4] CENTURION MALL is also one of the top 10 properties of the Applicant. The Applicant is in the process with an expansion upgrade at a cost of R318 million which has commenced in August 2014 in addition to a recent purchase of an adjacent property at a price of R13 million.

[10.5] The purchase and expansion upgrade has created additional long-term value-added opportunities for the CENTURION MALL.

[10.6] The market value of the CENTURION MALL is R3 367 380 000.00 as at 2013 and the CENTURION MALL has a monthly foot count of 1 312 293.

[10.7] The Applicant exercises strict quality control over all the tenants of the CENTURION MALL and the services rendered.

[10.8] The Applicant has and continues to actively advertise and promote the CENTURION MALL in relation to various services, which the shopping mall renders by virtue of its large variety of stores, restaurants and entertainment.

[10.9] The Applicant advertises and promotes CENTURION MALL by way of various advertisements in the various print, audio media and other media such as public relations, media relations, marketing and promotional campaigns, marketing strategies, customer care programs and community and charity campaigns.

[10.10]Consequently, this has built and continues to build up the national reputation and goodwill in the shopping mall and the CENTURION MALL trade mark.

[10.11]Substantial members of the public in South Africa associate services under the CENTURION MALL trade mark as being in the course and trade of that with the Applicant.

[10.12]The Applicant has obtained a name reservation for CENTURION MALL and the Applicant is in the process of obtaining registration with the CIPC on 4 December 2014 of a defensive name for the CENTURION MALL.

[10.13]The Applicant has not consented to the registration or use of the name CENTURION SUBURBS MALL (PTY) LTD as registered by the Respondent on 11 October 2013.

[10.14]The name of the Respondent's company is and will continue to cause damage to the reputation and goodwill of the Applicant's

CENTURION MALL trade mark and by virtue of the fact that members of the public will be likely to be deceived or confused into believing that the services of the Respondent company emanate from or are associated with the Applicant, which is not the case.

THE LAW

[11] The relief the Applicant seeks is in terms of section 160(1) of the Companies 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, may apply to the Companies Tribunal in the prescribed manner and form for a determination whether the name satisfies the requirements of section 11."

[12] 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. This application has to be made in the prescribed manner and form to the Tribunal for a determination on whether the name satisfies the requirements of section 11 of the Companies Act.

- [13] Section 160(2) of the Companies Act sets out the prescribed manner and form and reads:

“An application in terms of subsection (1) may be made—

(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.”

- [14] The powers for determination of the Tribunal are set out in section 160(3) of the Companies Act and reads:

“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 satisfies the requirements of section 11; and

(b) May make an administrative order directing—

(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."

[15] Section 11 of the Companies Act 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.

[15.1] Section 11(2)(a)(ii) provides that the company name may compromise one or more words in any language, irrespective of whether the word or words are commonly used or contrived for the purpose together with any of the following symbols: +, &, #, @, %, =.

[15.2] Section 11(2)(a)(iii) provides that the company name may compromise one or more words in any language, irrespective of whether the word or words are commonly used or contrived for the purpose together with any symbol permitted by the Regulations made in terms of subsection (4), namely, additional commonly recognized symbols for use in company names and alternative expressions.

[15.3] Section 11(2)(b)(ii) 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 that defensive name or business name.

[15.4] 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 is the registered owner of the business name, trade mark, or mark, or is authorized by the registered owner to use it.

[15.5] 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.

[16] In section 11(2)(b), 'similar' is stated to mean "having a marked resemblance or likeness¹ and that the offending mark (or name) should immediately bring to mind the well-known trade mark (or other name)".

[17] It has also been stated that a "mere similarity is not sufficient, it must be confusingly so. As to the requirement for confusingly similar, the test, as in the case of passing-off, should be '... a reasonable

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

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.”

[18] The principles set out above would also apply to section 11(2)(c), apart from the requirement of fault, it can reasonably mislead a person to hold a certain belief.

[19] To determine the test applicable in determining section 11(2)(b) and (c) Henochsberg on the Companies Act 71 of 2008 states the following:

“In terms of the 1973 Act the only consideration was whether the name is desirable or not, irrespective of the reason for the undesirability. It is respectfully submitted that although the 2008 Act does not make use of one universal term, namely “undesirable”, it is still useful to refer to the above-mentioned cases as it provides guidelines that would be relevant when interpreting section 11(2)(a), (b) and (c). The Registrar in terms of the 1973 Act (now the Commissioner) therefore had a wide discretion to reject the choice of name of a proposed company.

Circumstances in which a name may be found to be

*'undesirable' included those where the name: (1) would offend against public policy (e.g. it is obscene or likely to give offence); (2) is likely to mislead or deceive the public; (3) is the same as or similar to that of another and as a result is likely to lead to confusion amongst members of the public (see **Cape Town Lodge CC v Registrar of Close Corporations and Another** [2008] 2 All SA 34 (C) at para 21). It is submitted that these circumstances apply mutatis mutandis to sections 11(2)(a)–(c).*

*The mere fact that the name of one company is similar to that of another does not, on that ground alone, justify a finding that the name is undesirable, particularly where the name is an ordinary English word and the applicant is unable to demonstrate that it has acquired a secondary meaning associated with the applicant's business (see again the **Cape Town Lodge case supra at paras 46–48** in which the Court considered that it had to be satisfied that: "on balance, a substantial number of customers of Town Lodge will be deceived or confused by the similarity between Town Lodge and Cape Town Lodge. One of the 'right principles' . . . is whether or not the words used in the mark consist entirely of words in everyday use, which is descriptive of its services. I am very much persuaded by the correctness of the dictum in **Rovex Ltd and Another v Prima Toys (Pty) Ltd** . . . which runs as follows: '. . . If a defendant uses an ordinary English word or words, there is no doubt the*

public will be less likely to regard it as a proprietary word and associate it with a similar word registered by the plaintiff than would be the case if both words were invented words or words which had no meaning appropriate to the goods in question.”

[20] Cilliers² summarised the views of the courts with regard to the concept of “undesirability”, as follows:

“It is undesirable to register the new or amended name, if there is a likelihood of confusion or deception. It is a question of fact and degree whether or not a likelihood of sufficient confusion has been established to justify a change of name. Thus where the deception or confusion of the public is not manifest, the court must determine the likelihood of confusion or deception, not by looking at the names in isolation, but by considering all the circumstances. The following should be taken into account in determining whether a company name is undesirable because of its similarity to another company name; the likelihood of the names being abbreviated and the form of abbreviation; evidence of actual confusion or deception; the degree of confusion and its consequences, including inconvenience caused; whether a name could or might itself mislead the public or a recognized section of the public in any particular locality, or would be likely to cause confusion in the

² JB Cilliers "Similar company names: A comparative analysis and suggested approach" 1998 *THRHR* 582 and 1999 *THRHR* 57.

sense that the public would think that there is some actual connection or association between the companies; whether avoidable confusion has been created by the similarity of company names, which is undesirable; the Registrar's Directive of company names; the commercial environment in which the companies compete; the geographical environment in which the companies operate; whether the companies compete in the same market place; the importance of first impressions; the specialist nature of the companies' goods or services and the correlative ability of the customers to differentiate; whether the market place can arguably deal with any confusion; whether the name resembles a trade mark; and the nature of the names.

Each company name must be considered in the light of its individual merits or demerits. In doing the assessment, the courts use the reasonable man test, namely that of an average person with average memory and imperfect recollection, not one with an extraordinary or photographic memory."

EVALUATION

[22] As pointed out above, there are no hard and fast rules, which could be applied, to ascertain whether a name is undesirable or not. Views might differ depending, amongst others, on the degree of similarity of

the names, the likelihood of confusion and the respective present and contemplated business activities of the parties.

[23] The word CENTURION is defined in the ordinary English dictionary as 'the commander of a century in the ancient Roman army' but it is rather known and associated with the Centurion geographical area in Pretoria. MALL, however, is commonly defined as 'large enclosed shopping area'. CENTURION is therefore "uniquely distinctive" and has a strong distinguishing characteristic. However, MALL is a more ordinary generic word.

[24] The Applicants company name CENTURION MALL is identical to the Respondents name. The only difference is that the Respondent has included SUBURBS in addition to CENTURION MALL; i.e. CENTURION SUBURBS MALL. The word SUBURBS is not a distinctive word and therefore does not differentiates it sufficiently from the Applicants company name.

[25] The Applicant has obtained in a practical and business sense, a sufficient reputation amongst a substantial number of persons who are either clients or potential clients of its business before the registration of the Respondent.

[26] The name CENTURION MALL was registered in 1983 and the Applicant has since that date built up a very successful business under that name.

[27] The name CENTURION SUBURBS MALL was registered in 2013 and the Respondent has not, that I am aware of, built up a successful business under that name.

[28] From the information provided it is uncertain whether the parties compete in the same commercial environment or marketplace.

[29] The Applicant does not have a specific clientele. However, all of them would easily be misled or be confused by the similarity in the two company names.

[30] Applying the reasonable man test, the general members of the public will in all likelihood confuse into believing that the names are similar and that the two companies might be associated.

[31] The Respondent will not suffer any particular inconvenience if prohibited from using the name CENTURION.

FINDINGS

[32] The name “CENTURION SUBURBS MALL” is the same as and confusingly similar to “CENTURION MALL” and therefore is in contravention of section 11(2)(b) of the Companies Act.

[33] Both names have a likelihood to confuse members of the public into believing that the two companies could be associated and therefore is in contravention of section 11(2)(c) of the Companies Act.

ORDER

I proceed to make an order in the following terms:

- a) The Respondents name does not comply with section 11(2)(b) and section 11(2)(c) of the Companies Act.
- b) The Respondent is therefore directed to choose a name that does not consist of or incorporate the word CENTURION or any other mark, which is confusingly similar to the Applicants trademark.
- c) The Respondent should file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- d) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.
- e) This Determination must be served on the Applicant, Respondent and

the Registrar of Close Corporations of the Companies and Intellectual Property Commission.

- f) 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 Determination and Administrative Order, apply to a court to Review the Determination.

ADV LIZELLE HASKINS
MEMBER OF THE COMPANIES TRIBUNAL
DATED: 14 July 2015