

**COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case: CTO08AUG2015

In the matter between;

**GROWTHPOINT PROPERTIES LTD
(Registration Number 1987/004988/06)**

Applicant

and

**GROWTHPOINT CONSTRUCTION (PTY) LTD
(Registration Number 2015/203149/07)**

Respondent

Presiding Member of the Tribunal: Lucia Glass

DECISION (Reasons and Order)

INTRODUCTION

1) This is an application in terms of section 160 of the Companies Act 71 of 2008 (the Act). The basis of this application is that the name "GROWTHPOINT CONSTRUCTION" is prohibited in terms of Section 11 of the Act, as it incorporates various of the Applicant's trademarks, with the name "GROWTHPOINT".

PRELIMINARY ISSUES

2) The Applicant filed its application with the Tribunal on the 13th August 2015 on form CTR 142. On the 17th August 2015, the application was properly served on the respondent's registered address by the Sheriff of the High Court, by affixing a copy to the principal front door. The Respondent has not opposed this application.

3) The Deponent to the Applicant's papers is Roland Krabbenhoft, who avers that he is the Company Secretary of the Applicant and is authorised to make his supporting affidavit, on behalf of the Applicant, and does so in his capacity as Company Secretary and by virtue of that Office.

BACKGROUND AND EVIDENCE

4) The deponent submits that Applicant is listed on the Johannesburg Stock Exchange, with property assets valued at R63.1 billion, a 65% interest in Growthpoint Properties Australia Ltd (owning 49 properties in Australia) and 50% interest in the iconic V&A Waterfront in Cape Town.

5) The Applicant opposes the registration of the name "GROWTHPOINT CONSTRUCTION" and seeks a determination by the Tribunal and an order in terms of section 160(3)(b)(ii) of the Act, directing the Respondent to choose a new name. If the Tribunal grants this relief, then the Applicant asks for an order directing the Respondent to pay the costs occasioned by the launching of this application.

6) The deponent avers that the Applicant is the registered owner of various trademarks, all of which have one word, being "GROWTHPOINT" in its name.

7) The Applicant submits that the defendant's name "GROWTHPOINT CONSTRUCTION" is confusingly similar to its "GROWTHPOINT" registered trademarks and its company, "GROWTHPOINT PROPERTIES LTD". Further that section 11 of the Act has clarified any possible ambiguity by stating in plain words that a name which is the same as or is confusingly similar to a registered trade mark offends against the provisions of the Act, if, the registered owner of the trade mark has not authorised the use thereof.

8) It is further alleged that by the adoption by the Respondent of the striking feature, "GROWTHPOINT", into the name "GROWTHPOINT CONSTRUCTION" it does nothing to obscure or otherwise change the identity of the Applicant's registered trademarks. It is further alleged that the word "GROWTHPOINT" is an identifiable, dominant feature in both the Applicant's Company name and trademark, "GROWTHPOINT PROPERTIES GROWTHPOINT" respectively, as well as the

Respondent's name, "GROWTHPOINT CONSTRUCTION". Furthermore, given the Applicant's involvement in property developments, the public is likely to view "GROWTHPOINT CONSTRUCTION", as yet another company added to the Applicant's portfolio.

RELIEF SOUGHT BY THE APPLICANT

9) The deponent alleges that the Applicant has not consented in writing or otherwise, to the use of its trade mark or a confusingly similar mark by the Respondent and that "GROWTHPOINT CONSTRUCTION" is the same as or and or confusingly similar to "GROWTHPOINT PROPERTIES" and "GROWTHPOINT" registered trademarks.

10) The Applicant asks that an order in terms of section 160(3)(b)(ii) of the Act be made, directing that the Respondent choose a new name, within a set period and on any conditions that the Tribunal considers just, equitable and expedient in the circumstances.

APPLICABLE LAW

Section 11 (2) (a) and (b) of the Act

11) This section is primarily about protection against infringement of a registered company name or trademark, and reads as follows:

" Sec 11 (2) *The name of a company must—*

(a) not be the same as, or confusingly similar to—

(i) the name of another company, registered external company, close corporation or co-operative unless the company forms part of a group of companies using similar names;

(ii) a name registered for the use of a person as a business name in terms of the Business Names Act, 1960 (Act No. 27 of 1960);

- (iii) a registered trade mark belonging to a person other than the company, or a mark in respect of which an application has been filed in the Republic for registration as a trade mark or a well-known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993); or (iv) a mark, word or expression the use of which is restricted or protected in terms of the Merchandise Marks Act, 1941 (Act No. 17 of 1941), except to the extent permitted by or in terms of that Act;*
- (b) 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 or by 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) 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 administration or any department of such a government or administration; or*
 - (bb) international organisation;"*

12) The Applicant seeks remedies in terms of Section 160 which reads as follows:

"Part B

Rights to seek specific remedies

Disputes concerning reservation or registration of company names.

Section 160.

- (1) A person to whom a notice is delivered in terms of section 12(3) or section 14(3) 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 satisfies the requirements of section 11.*
- (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 satisfies the requirements of section 11; and

(b) may make an administrative order directing—

(i) the Commission to—

(aa) reserve a contested name for the applicant in terms of section 12;

(bb) register the contested name, or amended name as the name of a company; or

(cc) cancel a reservation granted in terms of section 12, if the reserved name has not been used by the person entitled to it; 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."

APPLICATION OF THE COMMON LAW UNDER THE PREVIOUS COMPANIES ACT.

13) In terms of the New Act there are no precedent cases which can be relied on, however in order to obtain insight into the views of learned Judges who have eruditely analysed the situation as to whether the names are "the same or confusingly similar" and whether the name is able to "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" it is my view that it will be useful to look at these judgments even though they are not made in terms of the Act.

14) In 1948 ¹ the courts considered it appropriate to say "*the court must not only consider the marks when placed side-by-side but must have regard to the position of*

¹ AMERICAN CHEWING PRODUCTS CORPORATION v AMERICAN CHICLE COMPANY 1948 (2) SA 736 (A)

a person who might at one time see or hear one of the marks and later possibly with an imperfect recollection of the mark, come across the other mark".

15) In more recent times, 2000 in an unreported judgement ² the court said: " *If one compares the name Kentron which the applicant has used and is still using with the name Kentronics which the first respondent is using, its is clear that there is a visual and phonetic differences. It is however, also obvious that there are similarities. The name Kintronics incorporates the whole of the applicants trading style Kentron.*"

16) In 2001 the court said: ³ " *the decision involves a value judgment and that the ultimate test is whether, on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both marks are to be used together in a normal and fair manner, in the ordinary course of business*".

EVALUATION

17) The dominant word in the Applicant's name and trademarks is GROWTHPOINT" and the dominant part of the Respondent's company name is GROWTHPOINT". The dominant words in both applicant and respondent names are thus identical.

18) The dominant words of the names of Respondent and Applicant are phonetically and visually confusingly similar. They are not only the same, they are identical.

19) If members of the public merely look at the two names of the two different entities there will be no doubt that they will be misled by the similarity of the names.

20) Members of the public will be confused or deceived into believing that the business of the Applicant is linked to, or associated with that of the Respondent.

² DENEL (PTY) LTD AND KENTRONICS (PTY) LTD AND THE REGISTRAR OF COMPANIES TDP CASE NO 213527/2000 (unreported)

³ COWBELL AG V ICS HOLDINGS 2001 (3) SA 941 (SCA)

FINDINGS

21) When the Respondent's dominant word in its name 'GROWTHPOINT', and the Applicant's trademark 'GROWTHPOINT' are compared, the dominant words in the name, are not only confusingly similar, but identical, and I am certain that the applicant will be prejudiced if I do not make an order as prayed.

22) The name 'GROWTHPOINT CONSTRUCTION' incorporates the whole of the applicants trademark 'GROWTHPOINT', which falsely implies or suggests, and reasonably misleads a person to believe incorrectly, that the respondent is part of, or associated with the applicant's trademarks, which have been filed in the Republic for registration as a trade mark or a well-known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993).

23) I am convinced that if the two names are compared, there is no doubt in my mind that they are confusingly similar and identical. and there will be confusion if both names are to be used together in a normal and fair manner, in the ordinary course of business.

I proceed to make an order in the following terms;

a) The Respondent is directed to change its name to one which does not incorporate and is not confusingly and or deceptively similar to Applicant's trademark name 'GROWTHPOINT'.

b) The Respondent is to file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order in order to change its name as per a) above.

c) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.

d) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property

Commission who will change the Respondent's name to its company number should the Respondent not file the notice in terms of b) above.

e) 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.

f) As the respondent has not wasted costs in opposing the matter, I do not make a costs order against the respondent.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 30th January, 2016