

**IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH
AFRICA
(‘THE TRIBUNAL’)**

Case No.: CT006FEB2018

In the matter between:

PIQUANTE BRANDS INTERNATIONAL (PTY) LTD First Applicant
PEPPADEW INTERNATIONAL (PTY) LTD Second Applicant

and

PEPPERDEW EVENTS (PTY) LTD Respondent

DECISION

INTRODUCTION

[1] This is an application in terms of section 160 of the Companies Act 71 of 2008 (the “**Act**”) and section 11(2) and read with Regulation 13 and 142 of the Companies Act (GNR 351 of 265 April 2011) (the “**Regulations**”).

[2] The first and second Applicant (referred to as the “**Applicants**”), in its application dated 6 February 2018 together with the affidavit of Ashley Christopher Skinner and annexures, requests the Companies Tribunal (the “**Tribunal**”) to make an order that the Respondent is directed to choose a new name on a default basis.

THE PROCEDURE

- [3] Before an Applicant can bring an application for a default order the Applicant must comply with Regulation 142 and Regulation 143 of the Regulations.
- [4] In accordance with Regulation 142, the Applicant is obliged to serve a copy of the application and the affidavit on the Respondent within 5 business days after filing it with the Tribunal.
- [5] The Applicant filed the application and supporting affidavit with the Tribunal on 6 February 2018.
- [6] The Applicant emailed its application to the Respondent's sole director Zinzi Nana Nonkonyane zinzi@pepperdeweevents.co.za and zinzinonkonyane@yahoo.com on 6 February 2018. The emails are attached to the application as annexure "AS6". The Applicant provided the Tribunal with the email receipt printout (**annexure "AS7"**) as proof of service and the relevant part reads:
- "Delivery to these receipts or groups is complete, but no delivery notification was sent by the destination server:*
- zinzinonkonyane@yahoo.com"*
- [7] The Applicant's in its affidavit states that the obtained the email addresses via the Respondent's facebook page and that the parties had communicated via email "*towards the end of September 2017*". The Applicant's have not annexed this email correspondence.

- [8] The Applicants thereafter and on the same day delivered a hard copy copy to the Respondent's physical address via registered mail. The Applicants attached a copy of the postal receipt as **annexure "AS8"**.
- [9] Under the circumstances, I am therefore satisfied that there has been substantial compliance of Regulation 142 of the Regulations by the Applicant.
- [10] The Respondent has to date not filed opposing or answering papers. As a result, the Applicant has brought an application for a default order in terms of Regulation 153(1).
- [11] The Applicant has therefore filed its application for a default order with the Tribunal on 16 March 2018.
- [12] Finally, Regulation 153(2)(b) states that the Tribunal may make an appropriate order, if it is satisfied that the notice or application was adequately served. In the circumstances, I am satisfied.

THE PARTIES

- [13] The first Applicant is Piquante Brands International (Pty) Ltd with registration number 2003/008567/07, a duly registered company and having its principle place of business at First Floor, North Block, Culross Court, 16 Culross Street, Bryanston. The first Applicant is the registered proprietor and licensee of the PEPPADEW trademark and has registered the PEPPADEW (1337227DN) and PEPPADEW (1337227DN) defensive company names with the CIPC.

[14] The second Applicant is PEPPADEW International (Pty) Ltd with registration number 1995/008244/07, a duly registered company and having its principle place of business at First Floor, North Block, Culross Court, 16 Culross Street, Bryanston. The second Applicant is the registered proprietor and licensee of the PEPPADEW trademark.

[15] The Respondent is PEPPERDEW Events (Pty) Ltd with registration number 2017/115309/07, a duly registered company and having its registered address at 114 Concorde Crescent, Crystal Park, Benoni.

THE APPLICATION

[16] In support of its application, the Applicants rely on the following grounds against the Respondents name:

[16.1] The Applicants has made widespread and extensive use of the trade mark in South Africa and internationally.

[16.2] The trade marks are well known, distinctive and global in size.

[16.3] The Applicants is a South African company listed on the Johannesburg Stock Exchange since 1998.

[16.4] The Applicant's founders conceived and created the Peppadew trade mark and forms part of the Applicant's intellectual property portfolio.

[16.5] The Respondent has therefore chosen its company name with reference to the Applicants companies and the successful Peppadew business related thereto.

[16.6] The Respondent has chosen the company name Pepperdew Events to take unfair advantage of, and to unlawfully benefit from, the Applicants extensive goodwill and reputation it has acquired in the Peppadew trade marks.

[16.7] The dominant part of the word in the Applicants company name is PEPPADEW which is phonetically and visually almost identical to the dominant word in the Respondent's company name PEPPERDEW.

[16.8] While the Respondent makes use of the additional descriptive word EVENTS within its name, it does not sufficiently distinguish the Respondent from the first Applicants registered trade marks or the second Applicants registered company name. what the word EVENTS does is reveal that the Respondent business is involved in events planning and catering. The first Applicants trade mark have been registered and applied for in relation to various food products as well as in relation to services for providing food and drink and entertainment services. Therefore, the Respondent's services fall within the ambit of the first Applicant's trade marks.

[16.9] The Respondent's name is confusingly similar to the trade marks, the first Applicant's defensive company name registrations ad the second Applicant's registered company name. this is likely to cause confusion amongst members of the public and could

possibly lead a reasonable person to believe that the Respondent is part of, or associated with the first and or the second Applicant/s or that the services of the Respondent is endorsed by the first and or the second Applicant/s.

[17] The Applicants also refer me to a decision by my fellow Tribunal member and in particular that she found in favour of the Applicants in a similar application under case number CT010MAR2015. The basis for her finding is that the words PEPPERDEW and PEPPADEW are phonetically similar and are phonetically and visually confusing.

THE LEGAL POSITION

[18] Section 11 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.

[18.1] Section 11(2)(b) 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 the business name, trade mark or mark or is authorized by the registered owner to use it; and

[18.2] 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.

[19] In **Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd.**¹

Corbett JA expressed it as follows:²

“In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used are the goods of the proprietor of the registered mark, i.e. the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.”

[20] The plaintiff only to show the probability or likelihood of deception or confusion.

¹ [1984 (3) SA 623 (A) at 641H-642C].

² [at 640G-641E].

[21] The 2008 Companies Act does not deal with what is meant by ‘confusingly similar’ or ‘falsely imply’ or ‘suggest or reasonably mislead’.

[22] However, in terms of the 1973 Companies Act the only consideration was whether the name is desirable or not, irrespective of the reason for the undesirability, which useful to refer to as it provides guidelines that would be relevant when interpreting s 11 (2), (b) and (c). 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.³ It is submitted that these circumstances apply *mutatis mutandis* to s 11 (2) (a)-(c).

[23] The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with

³ *Cape Town Lodge CC v Registrar of Close Corporations and Another* [2008] 2 All SA 34 (C) at para 21

reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea, the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods.”⁴

[24] 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. The Court in **Cape Town Lodge** case⁵ considered that it had to be satisfied that:

⁴ *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* 2017 (2) SA 588 (SCA) para 6.

⁵ at paras 46-48.

“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 are 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.' I am equally persuaded by the following dictum of an Australian Court in **Hornsby Building Information Centre (Pty) Ltd v Sydney Building Information Centre** (quoted in **Cadbury Schweppes v Pub Squash Co**) . . . that: 'There is a price to be paid for the advantages flowing from the possession of an eloquently descriptive trade name. Because it is descriptive it is equally applicable to any business of a like kind; its very descriptiveness ensures that it is not distinctive of any particular business and hence its application to other like business will not ordinarily mislead the public.'). It is not the intention to provide an exhaustive exposition of the law of, eg, passing-off, but the similarity of the principles are apparent and some of these can be highlighted.”

[25] In respect of ordinary word/s, the Supreme Court of Appeal in the **Bata**

Ltd⁶ case said:

“It is an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word.”

[26] ‘Similar’ 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).⁷ 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”*.⁸

⁶ para 10

⁷ Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA).

⁸ 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. In this regard, the Applicant in the **Century City Property Owners Association v Century City Apartments Property Services CC and Others** (17225/2005) [2008] ZAWCHC 63 (26 November 2008) case had a vested right in the name CENTURY CITY in that it was registered as its trademark. The court found that there was a reasonable likelihood that first respondent’s business name may confuse or deceive the public into believing that the first respondent’s business is or is connected with applicant’s business and that that confusion or deception will probably cause damage to applicants business.

[27] The Respondent's name has a marked resemblance or likeness to the Applicants trademark and that the offending name immediately brings to mind the well-known PEPPADEW trade mark.

[28] In short, the Applicant must show:

[27.1] It is enough for the Applicant to show that a substantial number of persons will probably be confused.

[27.2] A potential customer should not think that the company is the same or affiliated with another company with the same or similar name.

[27.3] The name should not falsely suggest that the company is part of an association.

[27.4] The comparison between the mark used by the Respondent and the registered mark

[27.5] The impact which the Respondent's mark would make upon the average type of customer.

[27.3] The comparison must be made with reference to the sense, sound and appearance of the marks.

[27.3] The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances.

[27.3] The marks must not only be considered side by side, but also separately.

[27.3] If each of the marks contains a main or dominant feature or idea, the likely impact made by this on the mind of the customer.

[27.3] The manner in which the marks are likely to be employed.

[27.3] The Respondent 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 Applicant.

[28] The same principles in respect of subsection (2)(b) would also apply in respect of subsection (2)(c) 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”.

FINDINGS

[29] Based on the above, I find that the Applicant’s showed that the a substantial number of persons will probably (a reasonable likelihood) be confused by the Respondent’s company name or that the Respondent’s company name falsely implies or reasonably misleads customers into thinking that the Respondent and the Applicant are associated.

ORDER

I make an order in the following terms:

- a) The Respondent is directed, within sixty (60) days from the date of this order, to change its name to one, which does not incorporate and is not confusingly and/or deceptively similar to Applicant's trademarks.
- b) This Order must be served on the Applicant, the Respondents and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.
- c) If the Respondent fails to comply with paragraph (a) of the order, the Registrar of Companies is directed to change the name of the Respondent to its registration number.
- d) 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 Order, apply to a court to Review the Order.

ADV LIZELLE HASKINS
MEMBER OF THE COMPANIES TRIBUNAL
DATED: 8 MAY 2018