



IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case No: CT013NOV2018

In the matter between:

RAM TRANSPORT (SOUTH AFRICA) (PTY) LTD APPLICANT

And

RAM LOGISTICS (PTY) LTD 1ST RESPONDENT

**THE COMPANIES AND INTELLECTUAL
PROPERTY COMMISSION 2ND RESPONDENT**

Presiding Member of the Tribunal: Kasturi Moodaliyar

Date of Decision: 12 April 2019

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 First Respondent's name, RAM LOGISTICS (PTY) LTD offends against the provisions of sections 11(2)(b) and (c) of the Act by incorporating a name that is confusingly similar to the Applicant's registered RAM trademarks.

[2] The Applicant is Ram Transport (South Africa) (Pty) Ltd, a South African company registered within the company laws of South Africa, and having its principle place of business at 27 Wrench Road, Isando, Gauteng.

[3] The First Respondent is Ram Logistics (Pty) Ltd, a South African company with registration number 2017/477053/07, having its registered address at 15943 Extension 12, Boitekong, North West.

[4] The Second Respondent is the Companies and Intellectual Property Commission ("CIPC") established by section 185 of the Companies Act with its address at DTI Building Block F, Mentijies Street, Sunnyside, Pretoria.

BACKGROUND

[5] The Applicant filed this application CTR 142 with the Tribunal on the 20 November 2018 requesting the Tribunal to grant an order that the First Respondent change its name on the basis that it is contrary to Section 11(2) of the Companies Act 71 of 2008.

[6] The Applicant appointed Edward Nathan Sonnenburg (ENS) attorneys, and Gaelyn Clare Scott, deposed to an affidavit providing a background to their interaction with the First Respondent.

[7] On 24 January 2018 the Applicant became aware of the First Respondent, which was registered on 25 October 2017, and the Applicant promptly engaged the services of its attorney.

[8] On 26 January 2018, ENS attorneys addressed a letter to the First Respondent to its registered address advising that the Applicant was entitled to lodge a company name objection against the registration of its company name and requesting it to change its name to a name that does not incorporate the Applicant's RAM trademark.

[9] On 27 February 2018, the First Respondent's legal representative, Thapelo Motaung, of Thapelo Motaung Attorneys, advised the Applicant that the First Respondent was willing to settle the matter amicably. He advised that the First Respondent had entered into a 5 year contract with a service provider using the RAM LOGISTICS (Pty) Ltd, name and would need to discuss the effect the name change would have on the contract. On 6 March 2018, ENS responded to Mr Motaung, and advised that the name change would not affect that contract.

[10] Ms Scott deposed that there were attempts to settle the matter, and Mr Motaung advised that the First Respondent is committed to changing its company name and that he would provide ENS with its clients name change application by 16h00 on 28 March 2018. As no correspondence was forthcoming on that date, ENS followed up on this numerous times.

[11] On 8 June 2018, Mr Motaung sent the Applicant an undertaking that the First Respondent will change its company name. Although this undertaking was apparently signed in the wrong place, ENS say that the undertaking is still binding, valid and enforcement. ENS argue that given that the First Respondent has not changed its company name, it is in breach of the undertaking that it signed. The Tribunal is not here to make any determination on the breach of the undertaking, and will focus on the application at hand in terms of section 160 and 11(2) of the Act.

[12] Ms Scott further deposed that on 13 April 2018, Mr Motaung requested the Applicant to compensate the First Respondent to change its company name. The Applicant considered the request to be in bad faith and refused. The Applicant thereafter instructed ENS to file a formal objection to the First Respondent's company name.

[13] According to Ms Scott a copy of the application was served on Lizzy Ramokgadi, the director of the First Respondent on 24 November

2018. An electronic copy was also served on the First Respondent using a valid email address.

[14] On 27 December 2018, the 20 day period afforded to the First Respondent to respond to the application with its answering affidavit had lapsed. The First Respondent failed to file an answering affidavit.

[15] The application was served on the Respondent using its own RAM Transport and a copy of the return receipt has been attached. The Applicant and Respondent has been in constant contact with each other through its legal representatives and I have no doubt that the First Respondent was aware that the application was filed upon it. I am thus satisfied that there has been proper service.

ISSUES

[16] The second Deponent to the Applicant's papers is Alan Da Costa, the Group Legal Counsel for the Applicant. Mr Da Costa is authorised to depose to the affidavit on behalf of the Applicant, and annexed a letter of authorisation to the papers.

[17] The Deponent further avers that the Applicant is the registered proprietor in South Africa of trademarks with the name RAM, which were registered between 1999-2013 under classes 39, 36, 45, and 41. He accordingly attaches the registration of the trademarks to his papers.

[18] The Applicant was founded in 1988 and uses its RAM trademark in a number of areas including logistics, transport, courier and warehousing services.

[19] The Applicant has a fleet of more than 1600 vehicles that operate out of over 42 hubs across Southern Africa. It has international affiliate

offices in numerous countries and couriers cargo both locally and internationally by air and by road.

[20] The Deponent states that the RAM trademark features prominently on the decals of the Applicant's fleet and all promotional and advertising material as well as on the staff uniforms and signage at its hubs and on its stationary. Its advertising and marketing expenditure in 2018 was R20 000 000 and its turnover in 2018 was R730 000 000. The Applicant has made extensive use of its trademark over the past 30 years.

[21] The Deponent attached an electronic Certificate of Registration of the First Respondent Company wherein it is recorded that the First Respondent was incorporated under the name RAM LOGISTICS (PTY) LTD issued on the 25 October 2017.

[22] It is thus concluded that the Applicant's trademarks were already registered and was a well-established brand at the time the First Respondent's company became incorporated.

[23] The Applicant states that the dominant, distinctive and memorable feature of the First Respondent's company name is the word RAM. The use of the RAM trade mark in conjunction with the word "LOGISTICS" in the First Respondent's company name exacerbates the likelihood of deception and confusion arising in the marketplace. This is because the Applicant has conducted business in the logistics industry in South Africa for 30 years, and has a registered trademark for RAM in class 39 covering "transportation of goods including precious and valuable goods; packaging and storage of goods including precious and valuable goods". The Applicant's core field of interest is logistics and courier services. Given the inclusion of the word "LOGISTICS" in the First Respondent's company name, the Applicant argues that it can be reasonably inferred that the First Respondent provides, or intends to provide, logistic services. These services directly overlap with the Applicant's services.

[24] It is alleged that the First Respondent's name is therefore confusingly and deceptively similar to the Applicant's registered trade mark and therefore falls foul of the provisions of Section 11(2)(b) of the Act.

[25] It is further alleged that the First Respondent's name in trade is likely to deceive or confuse members of the public into believing that there is some connection between the First Respondent and the Applicant, when this is not the case. In particular, members of the public are likely to believe that the First Respondent is licensed to use the Applicant's trade mark, or that the First Respondent was formed for the purpose of rendering services on behalf of the Applicant.

[26] The Applicant requests the Tribunal to make the following determination in terms of Section 160(3)(a) of the Act; that the First Respondent's name does not comply with sections 11(2)(b) and sections 11(2)(c)(i) of the Act; and that the First Respondent is directed in terms of Section 160(3)(b)(ii), to choose a name which does not consist of, or incorporate, the mark RAM, or any other mark which is confusingly and or deceptively similar to the Applicant's RAM trademark.

APPLICABLE LAW

[27] Section 11(2) of the Act is primarily about protection against infringement of a registered company name or trademark, and the applicable sections reads as follows:

"Section 11(2): The name of the company must:

a) not be the same as:

(i) the name of another company, domesticated company, registered external company, CC 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, 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, or mark in respect of which an application has been filed in the Republic for registration as a trademark or a well-known trademark as contemplated in section 35 of the Trade Marks Act, 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 the use of which is restricted or protected in terms of the Merchandise Marks Act, 1941, except to the extent permitted by or in terms of that Act;

b) not be confusingly similar to a name, trademark, 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 a company name similar to a defensive name or to a business name referred to in paragraph (a)(ii), the company, or a 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, or 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, or in terms of the Merchandise Marks Act;

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;”

[28] The Applicant seeks remedies in terms of Section 160 which reads as follows:

“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 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."

EVALUATION

[29] The Companies Tribunal must evaluate whether the name satisfies the requirements set out in Section 11(2) of the Act.

[30] To evaluate the meaning of the words contemplated in section 11 (2), I will rely on the guidance of the common law where applicable.

[31] The word "similar" as stipulated in section 11(2)(b) would be described as "having a marked resemblance or likeness"¹ and that the offending mark or name should immediately bring to mind the well-known trade mark or other name. Courts place a determination on whether the mark or names are "the same or confusingly similar" and whether the mark or name is able to "falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the [First Respondent] company is part of, or associated with" the Applicant company.²

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

² See *Deutsche Babcock SA (Pty) Ltd v Babcock Africa (Pty) Ltd* 1995 (4) SA 1016; *Bata Ltd v Face Fashions* CC 2001 (1) SA 844 (SCA);

[32] In the case of Century City Apartments Property Services, the SCA held that: *“The next issue is whether the marks CENTURY CITY and CENTURY CITY APARTMENTS are , in the wording of section 34(1)(a) [of the Trade Marks Act] ‘identical’. I think not. As the ECJ indicated, the criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects. This is however, subject to the proviso that minute and wholly insignificant differences are not taken into account. In other words, the de minimus principle applies.”*³

[33] Furthermore the court stated: *“...having found that CENTURY CITY and CENTURY CITY APARTMENTS are not identical, the court has little difficulty in finding that, in spite of the addition of the word “apartments”, the name CENTURY CITY APARTMENTS was confusingly similar to CENTURY CITY”.*

[34] The Tribunal takes cognizance of the fact that the RAM trade mark and the RAM LOGISTICS company name are not identical. However, the addition of the word “logistics” amounts to an insignificant difference and as such, the RAM LOGISTICS company name is confusingly similar to the RAM trade marks.

[35] In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* the court held that the “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 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

³ *Century City Apartments Property Services CC and Another v Century City Property Owners’ Association* 2010 (3) SA 1 (SCA).

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

[36] The Applicant also directed the Tribunal to the *Metcash Trading Limited v Rainbow Cash and Carry CC*⁵ decision, where RAINBOW STORES and RAINBOW CASH AND CARRY were found to be confusingly similar, and the court held that it is unlikely that two service marks will be found side by side on a shelf but rather “the notional customer with imperfect recall would probably remember that goods can be purchased at a store with RAINBOW as its name. The additions of the words ‘STORE’ and ‘Cash and Carry’ would merely be indicative of a place where the products are sold”.

[37] The notional customer will in all probability remember RAM as the name of the organization which offers services in much the same way that RAINBOW was held to be so remembered in the decision cited above. The Applicant emphasizes that RAM is the salient or striking feature of the First Respondent’s company name and of the Applicant’s company name and trade marks. The adoption of the words “LOGISTICS” into the First Respondent’s name does nothing to obscure or otherwise change the identity of the Applicant’s registered trade marks and company name.

[38] Thus, the Applicant states, that the “RAM LOGISTICS” name is confusingly similar to the Applicant’s trade marks and company name and offends against the provisions of section 11 of the Companies Act.

⁴ 1984 (3) SA 623 (A) at 641 B-C.

⁵ Unreported decision, TPD case no 4339/01 of 8 November 2001.

FINDINGS

[39] It is logical that the Respondent ought to have known that its name incorporated the well-known trademark of the Applicant.

[40] It is my view that the Applicant's trademarks incorporating the name "RAM" and the First Respondent's name "RAM LOGISTICS" when placed side-by-side, not only contain the identical dominant word, but to a reasonable person it would appear confusingly similar.

[41] The First Respondent's registered company name "RAM LOGISTICS" incorporates the whole of the Applicant's trademark "RAM". A person could reasonably be misled to believe incorrectly that the Respondent's company is part of or associated with the Applicant's company. This would surely be prejudicial to the Applicant's trademarks and brand.

ORDER

[42] I proceed to make the following order;

- a) The Applicant's application is granted in terms of Section 160(3) of the Companies Act.
- b) The First Respondent is directed to change its name to one that does not incorporate and is not confusingly and/or deceptively similar to its RAM trademarks.
- c) The First Respondent is ordered to a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- d) The First Respondent is hereby exempted from the requirement to

pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.

- e) In the event that the First Respondent fails to comply with this order within 60 days, the CIPC is directed to record the First Respondent's registration number: 2017/477053/07 followed by (Pty) Ltd, as the interim company name of the First Respondent, on the companies register.
- f) This Determination must be served on the Applicant, the First Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission (CIPC).
- g) 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.
- h) There is no order of costs in relation to this application.

KASTURI MOODALIYAR
COMPANIES TRIBUNAL: MEMBER