

COMPANIES TRIBUNAL

REPUBLIC OF SOUTH AFRICA

CASE NO: CT012MAR2019

In the matter between;

GAP (PTY) INC

APPLICANT

And

THE CORPORATE GAP (PRY) LTD

FIRST RESPONDENT

(Registration Number 2014/004551/07)

THE REGISTRAR OF COMPANIES

SECOND RESPONDENT

DECISION (Reasons and Order)

Presiding Member of the Tribunal: Lucia Glass

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, **THE CORPORATE GAP** offends against the provisions of sections 11(2)(b) and (c) of the Act by incorporating a name that is confusingly similar to the Applicants' trademarks **GAP**.

2) The Deponent to the Applicant's papers is Patricia McMahon, who avers that she is the Vice President of the Applicant. She annexes to her founding Affidavit a resolution evidencing her authority to act in these proceedings.

3) The Applicant applies to this Tribunal, for an order, that Respondent is to change its name to one which does not incorporate the word **GAP** or any other word confusingly and or deceptively similar to **GAP**.

4) The Defendant company was registered in 2014 and the Applicant's trademarks **GAP** was registered in 2006. Thus, the defendant company was registered after the applicant's trademarks were registered.

5) On the 1st April 2019, this application was served on the Respondent by the sheriff Nelspruit. The Respondent has to date not entered a responding affidavit.

6) Subsequently I am satisfied that this application was properly served on the Respondent and to date the Respondent has not deemed it necessary to defend this application.

7) It is averred that the Respondent's name is confusingly similar, to the Applicant's Trademarks **GAP** and falsely implies or suggests or is such, as would reasonably mislead a person into incorrectly believe that the Respondent is part of or associated with the Applicant.

8) The Applicant's trademarks are **GAP** and the dominant part of the Respondent's company name is **GAP**.

9) APPLICABLE LAW

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

" 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;"

10) 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.

11) In terms of the previous Companies Act, similar cases have been decided in respect of names that 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.

12) 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 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*".

13) 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, it 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.*"

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

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

14) 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"*.

15) It is my view, that, when the Respondent's dominant word in its name, is **GAP**, and that members of the public will be confused, and or deceived into believing that the business of the Applicant is linked to, or associated with that of the Respondent. If the dominant word **GAP** in the Respondent's name, and the Applicant's trademarks **GAP**, are compared, the dominant word in the name, is 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.

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

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 trademarks **GAP**.
- 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.

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

- d) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.
- 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) No order as to costs.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 24TH May 2019