THE COMPANIES TRIBUNAL

OF

THE REPUBLIC OF SOUTH AFRICA

Case: CT00577ADJ2021

SOUTHERN SUN HOTEL INTERESTS (PTY) LTD **Applicant**

and

BEVERLY HILL FARM (PTY) LTD **First Respondent**

Registration number 2018/042092/07

THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC) **Second Respondent**

Presiding Member of the Companies Tribunal: Lucia Glass

DECISION (Reasons and Order)

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1. The Applicant applies for a default order against the First Respondent, in respect of its company name, **BEVERLY HILL FARM,** which is confusingly similar to the Applicant's **BEVERLY HILLS** trademarks, which offends against the provisions of Section 11(2) of the Companies Act 71 of 2008 (further referred to as "the Act").

2. The Applicant applies for the following orders;

2.1 that the First Respondent change its name **BEVERLY HILL FARM** to one which does not incorporate the word **BEVERLY HILLS,** or any other word confusingly and or deceptively similar to its **BEVERLY HILLS** trademarks in terms of Section 160 of the Act,

2.2 that the Registrar of Companies be directed, to change the name of the First Respondent to its registration number, in the event that the First Respondent does not comply with paragraph 2.1 above, within 60 days of the date of the order.

3. The Respondent Company was registered in 2018 and the Applicant's Trademarks were registered in and around 2003 to 2008. Thus the First Respondent Company, was registered years after the Applicant's Trademarks were registered. Thus the Applicant's trademarks were well established when the first Respondent's name was registered.

4. A proper Service of this Application was served on the registered office of the First Respondent on the 12th February 2021, by the Sheriff, by affixing the papers to principle door of the Respondent's registered address, in terms of rule 9(5), as no other manner of service was possible

5. I am satisfied that this Application was properly served on the First Respondent and that the First Respondent has to date not entered a responding affidavit.

6. The Deponent to the Applicant's founding affidavit, is Lubabalo Tyali, who avers that he is the group legal officer of Tsogo Sun Hotels Ltd, the ultimate company of the Applicant. He attaches a resolution of the Directors passed on 16 September 2020 authorising him to act on behalf of the Applicant herein.

7. It is averred that the First Respondent's name **BEVERLY HILL FARM,** is confusingly similar to the Applicant's **BEVERLY HILLS** trademarks and would reasonably mislead a person to incorrectly believe that the Respondent is part of or associated with the Applicant.

8. **APPLICABLE LAW**

Sec 11 (2) of the Act states that the name of a company must;

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

(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 is part of, or associated with, any other person or entity.

9. The Applicant seeks remedies in terms of Section 160 which states that;

(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 section11; 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 COMMON LAW UNDER THE PREVIOUS COMPANIES ACT.

10. In terms of the previous Companies Act, similar cases were 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" another company or

trademark. It is my view that it will be useful to look at these judgments even though they are not made in terms of the present Act.

11. 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".*

12. In 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 Kentronics incorporates the whole of the applicants trading style Kentron."

13. In 2001 the court held: [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".

REASONS AND DECISION

14. The Applicant's trademarks, contain the word **BEVERLY HILLS**, which is spelt the same way as First Respondent's Name **BEVERLY HILL FARM.** If the Applicant's

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

trademark and the First Respondent's name are compared, there is no doubt in my mind that they are confusingly similar, as they both have two almost identical words, Beverly and Hill, the applicant trademarks are in the plural ie Beverly Hills, but that in my mind does not take away the similarity and the confusion which may arise between the two entities.

15. If the name **BEVERLY HILL FARM**, is to be used by the First Respondent, and **BEVERLY HILLS**, is to be used by the Applicant, in a normal and fair manner and in an ordinary course business, it is my view, that if members of the public merely look at the names of the different entities, they will be misled by the similarity of the names.

16. 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 First Respondent as the name of the First Respondent falsely implies and suggests, and is such, that it would reasonably mislead a person to believe incorrectly, that the First Respondent company is part of, or associated with the Applicant's trademarks.

ORDER

I proceed to make the following Order:

a) The First Respondent is directed to change its name **BEVERLY HILL FARM** to one which does not incorporate the word **BEVERLY HILLS** or any other word confusingly or deceptively similar to Applicant's **BEVERLY HILLS** trademarks.

b) The Registrar of Companies is directed to change the name of the First Respondent to its registration number, in the event of the First Respondent not complying with paragraph (a) above, within 60 days of the order.

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

d) This determination is to be served on the 1st and 2nd Respondents.

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.

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LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 2nd December 2021