

IN THE COMPANIES TRIBUNAL OF THE REUBLIC OF SOUTH AFRICA

("The Tribunal")

CASE NO. CT00935ADJ2022

In the matter between:

Safika Holdings (Pty) Ltd

Applicant

AND

Safika Sayivula Rock Semi and Precious Stones Mining CC First Respondent

Companies and Intellectual Property Commission

Second Respondent

DECISION

INTRODUCTION:

- [1]** The applicant is Safika Holdings (Pty) Ltd, a private company duly registered in terms of the company laws of the Republic of South Africa, having its registered office at Safika House, First Floor, 89 Central Street, Houghton, Gauteng, 2198.
- [2]** The first respondent is Safika Sayivula Rock Semi and Precious Stones Mining CC, a close corporation incorporated in terms of company laws of the Republic of South Africa, with registration number 1996/027738/23, having its registered address at 35 Lower Long Street, Cape Town, 8001¹

¹ Annex S2- CIPC Disclosure Certificate Dated 13 April 2022

- [3] The second respondent is the Commissioner of the Companies and Intellectual Property Commission, appointed in terms of section 189 of the Act, cited in his capacity as the person responsible for the function of the Companies and Intellectual Property Commission (CIPC), established in terms of section 185 of the Act and with its offices situated at 77 Meintjies Street, the DTI Campus, Block F, Sunnyside, Pretoria.
- [4] This is an application for a default order, in terms of S.160 of the Companies Act ('the Act'), read with Regulation 153, for a determination that the first respondent's name; Safika Sayivula Rock Semi and Precious Stones Mining CC, does not satisfy the requirements of section 11(2) of the Act and that the first respondent be directed, as provided for in terms of section 160(3)(b)(ii) read with section 14(2) of the Act, to record the first respondent's registration number followed by "Pty) Ltd", as the first respondent's interim company name on the companies register.

BACKGROUND

- [5] The application for relief, in the form CTR142 with the accompanying affidavit deposed to by Goodness Abigail Nokuthula Lumphoko, ('Lumphoko') the applicant's Chief Financial Officer and one of the directors of the applicant, duly authorized², was filed with the Tribunal on 08 February 2022. Somayya Khan, an attorney at Adams and Adams deposed to an affidavit in support of the application for default judgement. On 10 February 2022, the Sheriff for Cape Town, served a copy of the application on the first respondent "at its registered office at the given address by

² Annex S1-Resolution of Directors of the applicant

leaving a copy at reception desk”. The Sheriff’s return of service further states that the “respondent unknown to security who did not wait to accept the process”.

According to the records filed with the Tribunal, it seems that on 15 February 2022, the applicant, through its attorneys, further communicated the application to the members of the CC as listed on the disclosure certificate (Lawrence Bosman, Frederick Bosman, Daniel Vaas), via email at joe@bmcc.co.za. According to the affidavit of Lumphoko, the applicant’s attorneys sent the email after having been provided by one of the members of the CC, Daniel Vaas for the purposes of contact with the first respondent³.

[6] The first respondent did not file an answering affidavit within twenty (20) business days (the twenty business days lapsed on 14 March 2022), following which, on 20 April 2022, the applicant applied for a default order in terms of regulation 153.

[7] The applicant has submitted that it is the proprietor of, *inter alia*, the following trade mark registrations in South Africa⁴:

- (i) Trade Mark registration No. 1997/19660 SAFIKA in class 9;
- (ii) Trade Mark registration No. 1997/19661 SAFIKA in class 16
- (iii) Trade Mark registration No. 1997/19662 SAFIKA in class 35;
- (iv) Trade Mark registration No.1997/19663 SAFIKA in class 36;
- (v) Trade Mark registration No. 1998/11217 SAFIKA in class 38;
- (vi) Trade Mark registration No. 1998/11218 SAFIKA in class 39;

³ Annex SK3

⁴ Annex S3

- (vii) Trade Mark registration No. 1998/11219 SAFIKA in class 41;
- (viii) Trade Mark registration No. 2002/16460 SAFIKA in class 37;
- (ix) Trade Mark registration No. 2002/16461 SAFIKA in class 42; and
- (x) Trade Mark registration No. 2015/33487 SAFIKA in class 35.

[8] The applicant's business under the name and trade mark SAFIKA commenced in 1995 in relation to information technology, the supply of computer hardware and software, personnel recruitment, telecommunications and, with interests in banking and financial services, resources and private equity. The applicant owns the rights in the name and trade mark SAFIKA and all companies in the Safika Group and various companies that use the name and trade mark SAFIKA in relation to trading activities, services or goods, have done so and continue to do so with the authority and under the control of the applicant under that mark. The mark SAFIKA identifies services provided by or with the authority of the applicant in the normal course of trade. The applicant further submits that its business interests under the SAFIKA brand have extended to financial services, mining, agriculture, industrial and manufacturing, strategic investments, communication and aerospace and commodity marketing. The applicant argues that members of the public and trade are used to seeing various business names incorporating the mark SAFIKA and the mark in the name indicates an immediate association with the applicant, and that a google search of the name and mark SAFIKA brings up immediate results only for the applicant's SAFIKA business⁵. Relying on common law rights of passing-off, the applicant submits that it

⁵ Annex 6

is entitled to prevent parties from using the mark SAFIKA or any other variation of its trade mark in the course of trade in a manner that misrepresents that the other person is, or is associated with, the applicant that is likely to cause confusion, deception and damage to the applicant.

- [9] The applicant argues that the reference to ‘SAYIVULA ROCK SEMI AND PRECIOUS STONES MINING’ in the first respondent’s name does not serve to distinguish the mark SAFIKA incorporated in the first respondent’s name from the applicant’s SAFIKA trade mark and the name of its various SAFIKA companies, and that reference to “MINING” in the name of the first respondent further indicates direct conflict with the applicant’s business interests in the mining industry (the applicant has referenced to the fact that a google search of the first respondent’s name immediately brings up results for the applicant). As a result of the foregoing, the applicant submits that members of the public who encounter the first respondent are likely to believe that the first respondent is the applicant or is associated with the applicant’s business, and submits therefore that the first respondent’s name is in contravention of Section 11(2) of the Act and that the use of the first respondent’s name is likely to lead to confusion in the market place and that the first respondent should not be permitted to remain in its current form on the companies register.

APPLICABLE LAW

- [10] Section 160(1) of the Act provides:

“ A person to whom a notice is delivered in terms of this Act with respect to an application for reservation of a name, registration of a

defensive name, application to transfer the reservation of a name or the registration of a defensive name, or the registration of a company's name, 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, or the reservation, registration or use of the name, or the transfer of any such reservation or registration of a name, satisfies the requirements of this Act (s11)."

[11] Section 160 (2)(b) further provides that "*an application in terms of subsection 1 above, may be made on good cause shown at any time after the date of reservation or registration of the name that is the subject of the application, in any other case*".

[12] Section 160(3) provides for the powers of the Tribunal where subsections (1) and (2) have been satisfied. It provides as follows:

"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, or the reservation, registration or use of the name, or the transfer of the reservation or registration of the name, satisfies the requirements of this Act (s.11); and*

(b) *May make an administrative order directing-*

(i) *The Commission to-*

(cc) cancel the reservation of a name, or the registration of a defensive name.

(ii) a company to choose a new name and file a notice of 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.”

[13] The Tribunal is therefore tasked with considering this application and satisfying itself that it complies with the requirements of s. 11 (2), particularly S11(2)(a)(i) and (iii), and S11(2)(b)(i) and (c).

“The name of a company must-

(a) Not be the same as-

(i) the name of another company..

(iii) A registered trademark 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), unless the registered owner of that mark has consented in writing to the use of the mark as the name of the company.”

(b) Not be confusingly similar to a name, trade 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.

(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.

EVALUATION

[14] To address the issue whether "good cause" has been shown that the Tribunal can consider and decide upon the merits of this case, I make reference to the Highly Nutritious decision⁶ wherein Twala J. stated: "*Section 160(2)(b) allows any person and at any time to bring an application on good cause shown. This does not refer only to the delay in bringing the application but to show good cause as to why the application must be entertained. the section requires the Applicant to furnish a reasonable explanation as to why the application should be entertained by the Tribunal. It does not require an explanation only as to the delay in bringing the application but refer to the merits of the application as well. It is section 160(1) that prescribes, for a particular category of persons, to launch an application within a period of three (3) months after they became aware of the registration of the name*".

I am satisfied that the applicant has a material interest in the continued existence of

⁶ Highly Nutritious Food Company (Pty) Ltd v Companies Tribunal and Others, High Court, Gauteng Local Division, Case No. 91718/2016

and the use of the name of the first respondent and the risks consequent thereto on its SAFIKA trade mark and the group of companies trading under the SAFIKA name, and that there are merits to the Tribunal considering this application and ensuring the protection of the applicant's widely-recognized, well-known and long-standing brand and trade mark, as submitted by the applicant.

[15] I am further satisfied that the first respondent has been made aware of the current proceedings, and one of the members of the CC, Mr. Vaas, did provide the email address to be used by the applicant's attorneys in communicating with the CC. Mr. Vaal, even went further to advise telephonically why the service by the Sheriff was unsuccessful, as the first respondent had never traded on the premises and at the registered address of the business, but that at some point their auditors had had offices at the address. Mr. Vaal however failed to update the records with the CIPC, as it seems, the other two members of the CC also resigned at some point, and he is the remaining member. Their failure to update their details cannot be used to the detriment of the applicant's case, when the applicant made efforts to serve the application at the registered address and emailed the members at the email address provided by Mr. Vaal, which email was successfully transmitted.

[16] The applicant has made out a case against the first respondent, to which the respondent was afforded an opportunity to file and Answer, and failed to do so within the stipulated period of 20 days after service of the application and the founding affidavit. I accept the detail in which the applicant has articulated its national footprint across various industries and sectors, and the magnitude of the risk of the continued existence and use of the first respondent's name, especially

because the applicant has extensive footprint in the mining sector as well. The the addition of the words SAYIVULA ROCK SEMI AND PRECIOSU STONES MINING CC does not serve to differentiate the first respondent from the applicant, but adds to the high probability that the market place might be confused and be misled into thinking that the first respondent is part of or is associated with the applicant, which is not desirable. I agree that reference to “MINING” in the name of the first respondent further indicates direct conflict with the applicant’s business interests in the mining industry.

FINDINGS

- [17]** The name of the first respondent does not satisfy the requirements of section 11(2)(b) and (c) of the Act, is confusingly similar to the registered name and trade mark of the applicant ,and may reasonably mislead a person to believe incorrectly, that the first respondent is part of, or is associated with the applicant.

ORDER

It is therefore ordered that:

1. the first respondent is directed to choose a new name which does not consist of, or incorporate, the applicant's SAFIKA trade mark, or any other name which is confusingly and/ or deceptively similar to the applicant's name and trade mark;
2. the first respondent file with the CIPC, a notice of amendment of its Memorandum of Incorporation within 90 days from date of this order;

3. should the first respondent fail to comply with (1) and (2) above, the second respondent is ordered to substitute the first respondent's registration number in the place of SAFIKA SAYIVULA ROCK SEMI AND PRECIOUS STONES, followed by CC; and
4. I make no order on costs.



B. Zulu

Member: Companies Tribunal

25 July 2022