



IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

CASE NO.: CT01150ADJ2022

In the matter between:

The Trustees for the time being of the Nelson Mandela Foundation Trust APPLICANT
REGISTRATION NO. IT 9259/99

and

MANDELA METRO SOLUTIONS (PTY) LTD. FIRST RESPONDENT
REGISTRATION NO. 2018/476474/07 (PTY) LTD

THE COMMISSIONER OF THE COMPANIES SECOND RESPONDENT
AND INTELLECTUAL PROPERTY COMMISSION

Presiding Member of the Companies Tribunal: Ms. D Terblanche

Date of Decision: 13th of April 2023

DECISION (Reasons and Order)

THE PARTIES

1. The Applicant is the Trustees for the time being of the Nelson Mandela Foundation Trust, a trust created in terms of a trust deed executed on 19 August 1999 with number IT 9259/99. It has its principal place of business at 107 Central Street, Houghton, 2198, South Africa.
2. The First Respondent is MANDELA METRO SOLUTIONS (PTY) LTD., a private company duly incorporated under the company laws of South Africa with registration no. 2018/476474/07, having its registered address at 18465 Fazzie Street, Govan Mbeki, Port Elizabeth, Eastern Cape, 6200, and incorporated under the name Mandela Metro Solutions (the “offending name”).
3. The Second Respondent is the Commissioner of the Companies and Intellectual Property Commission (“CIPC”), appointed in terms of Section 189 of the Companies Act (the CA). The Second

Respondent is cited in an official capacity as the person responsible for the function of the Commission in terms of the Companies Act 71 of 2008 (the “Act” or the “CA”).

THE APPLICATION

4. This is an application in terms of Section 160 of the CA for a determination and an order that the name of the First Respondent, MANDELA METRO SOLUTIONS (PTY) LTD., registration number 2018/476474/07, does not satisfy the requirements of Section 11 of the CA, and that the First Respondent should be directed by the Companies Tribunal (the “Tribunal” or “CT”) to change its name, as provided for in Section 160, particularly Section 160(3)(b)(il) of the CA, or to choose a new name.

5. In its application the Applicant stated that:

“The company name offends the provisions of section 11(2) of the Companies Act 71 of 2008 as a dominant element of the First Respondent’s company name, Mandela Metro Solutions (Pty) Ltd, is MANDELA, which is identical to the Applicant’s well-known and distinctive MANDELA trade mark. The company name is, therefore, undoubtedly confusingly and/or deceptively similar to the Applicant’s well-known and distinctive MANDELA trade mark. Use of the company name is thus likely to falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the First Respondent is part of, or associated with, the Applicant’s business.”

6. The relevant provisions of Section 160 of the CA provide as follows –

“(1) 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.’

“(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.’*

7. Regulation 153 empowers the CT to issue default orders in instances where a person or persons who was served with an initiating document has not filed a response within the prescribed period, namely, within 20 days, as per Regulation 143(1).

8. In considering whether the Tribunal may grant the Applicant the relief it seeks, the Tribunal must determine whether the application is in order procedurally, and the relevant timeframes, prescribed forms and procedures have been adhered to.

9. Once I have determined the procedural aspects of the application, I will consider the substantive

issues, namely, “... whether the name, or the reservation, registration or use of the name, ... satisfies the requirements of this Act.”

PRELIMINARY MATTERS

10. As a point of departure in this exercise, I am required to look at the provisions of Regulation 13(a) of the Regulations which read as follows:

“(a) A person may apply in Form CTR 142 to the Tribunal in terms of section 160 if the person has received... a Notice of a Potentially Contested Name, in Form CoR 9.6 or a Notice of a Potentially Offensive Name, in Form CoR 9.7, or has an interest in the name of a company as contemplated in section 160(1)....” [Own emphasis added.]

11. On the 5 September 2022, the Applicant filed Form CTR 142, as prescribed by the Minister of Trade and Industry in terms of section 223 of the Act, and the supporting founding affidavit, with the Tribunal, requesting the CT to grant an order that the First Respondent changes its name on the basis that it is contrary to Section 11(2) of the Companies Act 71 of 2008.
12. The Tribunal’s date and time stamp appears on the face of the Form CTR 142, reflecting the date as 6 September 2022.
13. I now consider whether the application meets the requirements of Regulation 153 read with Regulation 143, i.e., for the Tribunal to issue a default order in favour of the Applicant.
14. The Applicant filed the default application under Form CTR 145 (for the notice of motion application), as per Regulation 145(3), supported by an affidavit deposed to by DELENE MARY BERTASSO (“Bertasso”), an attorney practising as a Senior Associate, at Edward Nathan Sonnenbergs Inc (hereinafter referred to as “ENS”), the Applicant’s attorneys of record, duly authorised in terms of a General Power of Attorney (GPA), annexed as DB2 to the application.
15. The Applicant submitted that it affected service on the First Respondent on 6 September 2022 via Dropbox, in accordance with the Companies Regulations in GN 34239 GG of 26 April 2011, in terms of which a notice or document to be delivered, for any purpose contemplated in the Act or the Regulations, may be delivered in any manner as set out in Table CR3. According to the supporting affidavit to the default application, ENS was successfully added the application for relief to the Dropbox folder. The First Respondent was also sent a direct link to the Dropbox Folder via email, to the email address the first Respondent provided to the Applicant.
16. Table CR 3 prescribes, regarding service on a ‘company or similar body corporate’, -

“By handing a notice or a certified copy of the document to a responsible employee of the company or body corporate at its registered offices or its principal place of business within the Republic; or

If there is no employee willing to accept service, by affixing the notice or a certified copy of the document to the main door of the office or place of business.

(Emphasis added)

17. The Applicant did not make use of the prescribed form of service.

18. Section 6(9) of the Act titled ‘Anti avoidance, exemptions and substantial compliance’, provides that –
- (9) *If a manner of delivery of a document, record, statement or notice is prescribed in terms of this Act for any purpose –*
- (a) *it is sufficient if the person required to deliver such a document, record, statement, or notice does so in a manner that satisfies all of the substantive requirements as prescribed; and*
- (b) *any deviation from the prescribed manner does not invalidate the action taken by the person delivering that document, record, statement or notice, unless the deviation –*
- (i) *materially reduces the probability that the intended recipient will receive the document, record, statement or notice; or*
- (ii) *is such as would reasonably mislead a person to whom the document, record, statement or notice is, or is to be, delivered.”*
19. I am satisfied that the Applicant substantively complied with the prescripts of CR 3 in accordance with Section 6(9) of the Act. The Applicant shared the application and attachments with the First Respondent via Dropbox. The Applicant provided the link to the Dropbox to the First Respondent via email, at an email address the First Respondent provided to the Applicant.
20. The Applicant submitted that the first Respondent had to date not filed an answering affidavit in response to the application.
21. According to my calculation, from 6 September 2022, the 20 business-day period within which the first Respondent had to file an answering affidavit, lapsed on or about 4 October 2022.
22. The Applicant had to also deliver the application and supporting affidavit on the second Respondent, being one of the Respondents named in the application, within the prescribed 5 (five) business days after filing the Form CTR 142.¹
23. There is no evidence that the First Respondent filed an answer in opposition to the application.
24. I am satisfied that the Applicant has made out a case for the main application to be considered on a default basis against the First Respondent:
- 24.1. The application for relief, with accompanying founding affidavit, was served on the First Respondent within the prescribed 5 business days from filing the application for relief, in accordance with Regulation 142(2) of the Act.
- 24.2. The 20-day period afforded to the First Respondent within which to file its answering affidavit lapsed on or about 4 October 2022.
- 24.3. To date, the First Respondent has not filed an answering affidavit in response to the Applicants application for relief, although the First Respondent has been made aware of the application.

¹ Regulation 142(2) provides that “the applicant must serve a copy of the application and affidavit on each respondent named in the application, within 5 business days of filing it.” (My underlining); and Regulation 153(1) provides that “If a person served with an initiating document has not filed a response within the prescribed period, the initiating party may apply to have the order as applied for issued against that person by the Tribunal.”

25. The relief the Applicant seeks against the second Respondent, is for this Tribunal to direct the Second Respondent, in terms of Section 160(3)(b)(ii) read with Section 142 of the Act, to change the name of the First Respondent to K2018/476474/07, as the First Respondents interim company name on the companies register, alternatively to NELSON MANDELA BAY METRO SULUTONS.
26. Thus, the Applicant had to serve the application on the second Respondent as set out in Table CR 3, either -
- 26.1. By entering the required information in an electronic representation of that form on the internet website, if any, maintained by the Commission, if the document is a prescribed form; or
- 26.2. By transmitting the document as a separate file attached to an electronic mail message addressed to the Commission; or
- 26.3. By sending a computer disk containing the document in electronic form, by registered post addressed to the Commission; or
- 26.4. By handing the document, or a computer disk containing the document in electronic form, to the Commission, or a responsible employee who is apparently in charge of the Commission's office.
27. The Applicant has not made any submissions, nor placed any evidence before the Tribunal that it had affected service of the application and supporting documentation on the Second Respondent, as required in terms of Regulation 142(1) of the CA.
28. The Applicant has not made out a case for the main application to be considered on a default basis against the Second Respondent.
29. I will now proceed and consider the main application insofar as it pertains to the First Respondent.

THE SUBSTANTIVE ISSUE FOR CONSIDERATION

30. The substantive question for consideration is whether the first Respondent's name satisfies the requirements of the CA, more specifically section 11(2)(a), (b), and (c) of the CA.

THE APPLICANT'S SUBMISSIONS AND EVIDENCE IN SUPPORT OF ITS APPLICATION

31. Sello Hatang ("Hatang"), the Chief Executive Officer of the Applicant, deposed to the founding affidavit in support of the main application. The Applicant's submissions and evidence in support of its objection to the first Respondent's name appear from Hatang's affidavit as reflected below.
32. The Applicant is a non-profit organisation founded in 1999 by the late Nelson Mandela (Mandela) to contribute to the making of a just society by promoting the vision, values and work of its founder.
33. The Applicant was established to contribute to the making of a just society by promoting the vision, values and work of its founder. In pursuance of this goal, the Applicant unwaveringly committed to preserving and enhancing the legacy of the late Nelson Mandela and his wish that his image, likeness and his name are not exploited and commercialised, and actively strives to ensure that Mandela's name and image are not exploited and commercialized.

- 34 Consequently, the Applicant actively and diligently engages with, and where necessary pursues third parties, who without the Applicant's permission, uses Mandela's name and image for their own commercial gain and purposes.
- 35 The Applicant is the proprietor of various trade marks, registered in South Africa amongst others, for the MANDELA, NELSON MANDELA trade marks and the Nelson Mandela Image incorporating NELSON MANDELA or MANDELA (the trade marks). The Applicant has been using the Mandela and Nelson Mandela trade marks in relation to its endeavours over time.
- 36 The Applicant has used these trade marks extensively in its endeavours and in relation to all dialogue that it engages in with the public and world leaders on several social media platforms, the world wide web, lecture series, and so on. The Applicant submitted that its trade marks are well-known, synonymous with, and distinctive of the Applicant and qualify for protection as such in South Africa.
- 37 The First Respondent's company is incorporated under the name Mandela Metro Solutions (Pty) Ltd. (the offending name). The Applicant has not authorised the First Respondent to use the MANDELA name and trade mark, and neither authorised, licensed, endorsed, or otherwise agreed, to the incorporation of the First Respondent under the offending name, nor is the Applicant in any manner linked or connected to or have an affiliation with the First Respondent.
- 38 The offending name wholly incorporates the Applicant's distinctive and well-known registered MANDELA trade mark. The word "MANDELA" in the First Respondent's name forms the dominant and distinctive portion of the name and is likely to be the element of the offending name that consumers remember and recall. As a result, there is unquestionably striking visual, conceptual and phonetic similarities between the offending name and the Applicant's well-known MANDELA trade marks. That consumers will focus on and recall "Mandela" in the offending name is all the more so due to the notoriety of the MANDELA name and trade marks. The phrase "Metro Solutions" is a purely descriptive phrase, and no doubt in common use in the trade, and does not distinguish, in any measure, the First Respondent's company name from the MANDELA trade marks.
- 39 The use of "MANDELA" in the offending name, does not signify nor allude to the geographical location of "Nelson Mandela Bay, noting that the First Respondents registered address is in Port Elizabeth, which forms part of the region known as "Nelson Mandela Bay". I submit, that the First Respondent seeks to unduly leverage off the renown of the MANDELA name and trade mark and reap where it hasn't sown, by its selection and use of MANDELA as opposed to Nelson Mandela Bay.
- 40 The offending name is confusingly and/or deceptively similar to the registered MANDELA trade marks, and as such will reasonably mislead a person to believe, incorrectly, that the First Respondent's goods/services emanate from the Applicant or that it is part of, or associated with, the Applicant, or that the Applicant has endorsed the First Respondents incorporation under the offending name and its business activities. The offending name accordingly contravenes sections 11(2)(a) or 11(2)(b) and 11(2)(c) of the Act and is liable to an order in terms of Section 160(3)(b) of the Act.
- 41 When the incorporation of the First Respondent's company under the name Mandela Metro Solutions (Pty) Ltd. came to the Applicant's attention, the Applicant engaged with the First Respondent on a few occasions, amongst others through letters of demand and obtaining an undertaking from the First

Respondent, that the first Respondent would change its name to “Nelson Mandela Bay Metro Solutions”, under threat of lodging a formal company name objection.

- 42 During 2022, noting that the First Respondent is still listed as being “in business” and had not changed its company name as it had undertaken to do, the Applicant decided to lodge this formal objection against the registration of the First Respondent’s company name.
- 43 The Applicant’s concern is that members of the public are likely to be confused or deceived into believing that the first Respondent’s company is in some way affiliated to or endorsed by the Applicant in view of the incorporation of the Applicant’s distinctive and well-known trade mark MANDELA in the first Respondent’s company name.
- 44 The Applicant has an interest in the name of the First Respondent in terms of Section 160(1) of the Companies Act, because the First Respondent’s name is confusingly similar to the Applicant’s trade marks, in which the Applicant has significant commercial interest.
- 45 The Applicant has good cause to make this application based on its statutory and extensive common law trade mark rights in the trade marks. In addition, the Applicant submitted that, since becoming aware of the incorporation of the First Respondent under MANDELA METRO SOLUTIONS (PTY) LTD, it has, without undue or intentional delay, diligently pursued its objection to the First Respondent’s company name, so as to protect and enforce the rights that it has in its trade marks.
- 46 Further, the Applicant submitted that it has good cause for alleging that the First Respondent’s company name contravenes the provisions of Section 11(2) of the Companies Act. Since becoming aware of the incorporation of the First Respondent under the offending name, the Applicant has, without undue or intentional delay, diligently and consistently pursued its objection to the offending name. For a period of time the applicant hoped that the First Respondent would voluntarily change the offending name to remove MANDELA from the name, as it had undertaken to do, so as to avoid the incurrance of legal costs in filing this objection. The First Respondent has repeatedly failed to co-operate with the Applicant to change the offending name, despite agreeing to do so.
- 47 The Applicant submitted that it would suffer prejudice if the application is not considered, as –
- 47.1 Any use made of the offending name during the First Respondent’s business activities, is likely to cause consumer confusion to the extent that consumers will be misled into believing that the First Respondent and its business and endeavours emanate from or are in some manner affiliated to or associated with the Applicant, which is untrue.
- 47.2 The Applicant has no control over the nature and quality of goods and/or services provided by the First Respondent. Any goods or services provided of an inferior or poor quality, or of a dubious or possibly even unlawful nature, have the real potential to cause irreparable harm to and negatively impact and damage the favourable reputation of the Applicant, the Iconic reputation subsisting in the MANDELA trade marks and the legacy of Mandela, as the goods and/or services that may be provided by the First Respondent will likely be attributed to the Applicant, as a result of the confusing similarity between the offending name and the MANDELA trade marks.

- 48 The MANDELA trade marks undoubtedly qualify for protection as well-known trade marks and are entitled to protection as such. Any unauthorised use of a trade mark which is identical or similar to it, as the offending name is, will be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the MANDELA trade marks, and will amount to trade mark infringement in terms of Section 34(1)(c) of the Trade Marks Act, even if confusion amongst consumers is unlikely. Such unauthorised use by the First Respondent will, therefore, result in the dilution of the well-known MANDELA trade marks.
- 49 The First Respondents use of the offending name in its business activities, is likely to also contravene the common law, and the rights at common law that the Applicant holds in the MANDELA trade marks, resulting in the common law wrong of passing off by the First Applicant.

ANALYSIS AND EVALUATION

- 50 Section 160(1) of the Companies Act provides that:

"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."

- 51 Section 160(2)(b) of the Companies Act provides that:

"An application in terms of subsection (1) may be made ... 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."

- 52 Sections 11(2)(a), (b) and (c) of the Companies Act, as far as they are applicable, read as follows:

"(2) The name of a company must-

(a) not be the same as -...

(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), 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, mark, word or expression contemplated in paragraph (a) unless-

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;

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;

in the case of a name similar to a trade mark or mark referred to in paragraph (a)(iii), the company is the registered owner of the business name, trade mark or mark, or is authorized by the registered owner to use it; or

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, 1941.

(c) 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"

53 The Applicant's case revolves around the first Respondent's name being confusingly similar to the Applicant's trade marks 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, any other person or entity.

54 From the evidence before me, the Applicant owns various Mandela trade marks in various classes registered in and outside South Africa.

55 I have considered various cases regarding the issue the Applicant placed before me. In -

55.1 Rising Sun TV v Rising Sun TV (Pty) Ltd under case number CT012JUL2018, wherein reference was made at paragraph 5.1 on page 5, to Ewing t/a The Buttercup Dairy Company) v Buttercup Margarine Company Ltd 1917 (34) RPG at 232 and 238, the court held that:

"It can be concluded that confusion and/or deception may arise from the side- by-side use of the Applicant's and the Respondent's name, which can lead to injury of the Applicant's business, especially since it has no control whatsoever over the quality of services rendered by the Respondent. The doctrine of imperfect recollection has been explained by our courts: there is a probability that a substantial number of people will be at least confused, if not deceived, given the fact that an individual does not have the two marks before Mm, side- by-side and that memory is often imperfect."

55.2 Cowbell AG v ICS Holdings Ltd 2001 (3) SA 941 (SCA) at paragraph 10 on page 7, wherein it was held that:

"The decision involves a value judgement 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".

55.3 In Plascon-Evans Paints (TVL) Ltd. v Van Riebeeck Paints (Pty) Ltd.² ("Plascon-Evans"), CORBETT JA quoted MARGO J, delivering the judgment in International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd. 1983(4) SA 163 (T), as follows on the meaning of the words "as to be likely to deceive or cause confusion" –

“The main legal principles relevant to the decision of the instant case may be briefly summarized as

² (53/84) [1984] ZASCA 51; [1984] 2 All SA 366 (A); 1984 (3) SA 623; 1984 (3) SA 620 (21 May 1984)

follows –

In an infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. ... 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. ... 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 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.” (My underlining.)

55.4 CORBETT JA: stated further at paragraph 47 in Plascon Evans “... in my view, a purely verbal comparison is not enough. As I have said, in cases such as this the Court must transport itself to the market place and try to visualize how customers of the goods, in relation to which the marks are used, would react.” (My underlining.)

56 When comparing the Applicant’s trade marks and the first Respondent’s name, side by side they exhibit similarities and differences. As CORBETT JA emphasized however (see above), the comparison must not be confined to a viewing of the marks side by side, but “*I must notionally transport myself to the market place (see remarks of COLMAN J in Laboratoire LaCharte SA v Armour-Dial Incorporated, 1976 (2) SA 744 (T), at p 746 D) and consider whether the average customer is likely to be deceived or confused. And here I must take into account relevant surrounding circumstances, such as the way in which the goods to which the marks are applied are marketed, the types of customers who would be likely to purchase the goods, matters of common knowledge in the trade and the knowledge which such purchasers would have of the goods in question and the marks applied to them.*”

57 Considering the above, I agree with the Applicant that the words METRO SOLUTIONS in the First Respondent’s name do not sufficiently differentiate the First Respondent’s name from the Applicant’s trade marks.

58 A comparison of the First Respondent's company name and the Applicant's trade marks proves that a likelihood of confusion exists. In the ordinary course of business, the First Respondent's name would reasonably mislead a person to believe, incorrectly, that it is in some way or other associated with the Applicant, which is not the case.

59 The dominant and memorable feature of the first Respondent's company name is the word "Mandela", which is visually, phonetically, and conceptually similar to the Applicant's registered company name.

60 The likelihood of confusing similarity is not only established when the First Respondent's name, and the Applicant's Mandela trade marks are placed side-by-side, but when having regard to the position

of a person who might, at one time, see or hear one of the trade marks and later, possibly with an imperfect recollection of the mark, comes across the other mark, that said person would consider the trade mark as confusingly similar.

- 61 The First Respondent's name will reasonably mislead a person to believe, incorrectly, that the First Respondent is part of, or associated with, the Applicant's business.
- 62 The Applicant is concerned that this confusing similarity could lead to injury of the Applicant's business, especially since it has no control whatsoever over the quality of goods offered or services rendered by the First Respondent, under the Mandela trade mark.
- 63 The Applicant will suffer prejudice if this application is not considered, especially as the Applicant is unaware of, and has no control over, the quality of goods or services provided, or intended to be provided, by the First Respondent, under the name Mandela.
- 64 In addition, the quality of goods or services provided, or intended to be provided, by the First Respondent is likely to be attributed to the Applicant, as a result of the confusing similarity between the First Respondent's company name and the Mandela trade marks.
- 65 It cannot be ruled out that the First Respondent's business activities may include the goods or services offered under the Applicant's Mandela trade marks. In addition, nothing precludes the First Respondent from expanding into the area of the Applicant's business. This may result in the First Respondent taking unfair advantage of the Applicant's trade mark rights and the reputation and goodwill attached therein by association of its goods or services with the Applicant and its trade marks.
- 66 In Carl Zeiss AG v Zeiss Trading Enterprise (Pty) Ltd. under case number CT016JUN2015, specifically paragraph 14 at page 8, the Tribunal states that:

"...I agree with the applicant's contentions that the respondent's business activities may be either presently including those similar to its goods or services under the trade mark ZEISS or that nothing precludes the respondent from expanding into the area of the applicant's business. This, I agree, could probably result in the respondent taking unfair advantage of the applicant's trade mark and goodwill by association of its products or business with those of the applicant or the applicant's trademark. The corollary of this, is my finding that, the respondent's name falsely implies or suggests or is such as would reasonably mislead a person to incorrectly believe that the respondent is part of or associated with the applicant. Therefore, the respondent's name does not satisfy the requirements of section 11(2)(c) of the Companies Act, in this regard."

- 67 The First Respondent, by trading under its company name, may be unfairly designated the goodwill and reputation that is owed to the Applicant, as the ordinary consumer will attribute same, not to the Applicant but rather to the First Respondent whose company name wholly incorporates the Applicant's Mandela trade mark.
- 68 I find that the Applicant has shown good cause to bring this application under section 160(2) of the Act.

- 69 Considering the conspectus of cases cited above and the guidance from those cases, I cannot but conclude that the First Respondent's name runs afoul of the provisions of section 11(2) ((b) and (c) of the CA.
- 70 I further find that the first Respondent's name to be confusingly similar to the Applicant's trade marks so as 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, the Applicant.

CONSIDERATION OF THE ORDER SOUGHT

- 71 The Applicant requests the Tribunal to –
- 71.1 Direct the First Respondent to change the offending name to one which does not incorporate the trade mark MANDELA, or any other trade mark / word that is confusingly and/or deceptively similar thereto.
- 71.2 Alternatively, directing the First Respondent to change the offending name to 'NELSON MANDELA BAY METRO SOLUTIONS'.
- 71.3 In the event that the First Respondent fails to comply with the order set out in paragraph 71, alternatively paragraph 71.1 above, within 3 months from the date of the order, directing the Second Respondent, in terms of Section 160(3)(b)(ii) read with Section 142 of the Act, to change the name of the First Respondent to "K2018/476474/07, as the First Respondents interim company name on the companies Register, alternatively to 'NELSON MANDELA BAY METRO SOLUTONS'; and
- 71.4 Granting the Applicant further and/or alternative relief.
- 72 Section 160(3) of the CA prescribes the orders the CT may grant after making a determination on an application in terms of section 160 of the CA. It provides that the CT may make an administrative order directing –

“(3)(b)(i) ... the Commission to—

(aa) reserve a contested name, or register a particular defensive name that had been contested, to the applicant;

(bb) register a name or amended name that had been contested as the name of the company;

(cc) cancel the reservation of a name, or the registration of a defensive name; or (dd) transfer, or cancel the transfer of, the reservation of a name, or the registration of a defensive name; or

“(3)(b)(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.”

- 73 The Honourable Tribunal has further previously illustrated circumstances where an infringing name cannot be left on the Companies Register in Joest GMBH+CO.KG and Joest Electrical and Airconditioning (Pty) Ltd under case number CT010MAY2017, by making reference to Polaris Capital (Pty) Ltd v The Registrar of Companies and Polaris Capital Management Inc (case no 11607/2005) at paragraph 5.8 on page 9, in which it was decided that:

"It is submitted that by allowing the close corporation's name to remain on the register, in addition to causing deception and confusion, its registration will hinder the registrar's role in maintaining and promoting good governance and administration of corporate entities in the interest of the general public".

- 74 In this regard, allowing the First Respondent's company name to remain on the Companies Register, unrestricted, bearing in mind that at any time it could venture into the market of the Applicant, would be damaging to the Applicant's trade marks, goodwill and reputation. This would also go against the Registrar of Companies' role in maintaining and promoting good governance and administration of corporate entities in the interest of the general public, mentioned above.
- 75 Regarding the order the Applicant seeks against the Second Respondent: The CA and the Regulations empower the Tribunal to issue default orders in instances where a person or persons who was served with an initiating document has not filed a response within the prescribed period, namely, within 20 days, as per Regulation 153(1).
- 76 In this case the Second Respondent was not served with an initiating document to which they had to file a response within the prescribed 20 (twenty) days.

ORDER

- 77 Having considered the Applicant's application, the orders the Applicant seek, and the orders the CT may grant, I hereby:
- 77.1 Grant the Applicant's application.
- 77.2 Directs the First Respondent to change the offending name to one which does not incorporate the trade mark MANDELA, or any other trade mark / word that is confusingly and / or deceptively similar thereto.
- 77.3 Alternatively, directs the First Respondent to change the offending name to 'NELSON MANDELA BAY METRO SOLUTIONS'.
- 77.4 Directs the First Respondent to file a notice of an amendment of its Memorandum of Incorporation, within sixty (60) days of receipt of this order to change its name according to paragraph 77.1, alternatively, paragraph 77.2 above.
- 77.5 Exempts the First Respondent from the requirement to pay the prescribed fee for filing the notice of amendment.
- 77.6 Instructs the Registrar of the Companies Tribunal to bring this ruling to the attention of the First and Second Respondents.

Dated at Johannesburg on this 13th day of April 2023.

MS D R TERBLANCHE
MEMBER OF THE COMPANIES TRIBUNAL