IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case No: CT01349/ADJ/2023

In the matter between:

BIDVEST INDUSTRIAL HOLDINGS (PTY) (LTD) Applicant

(1990/003829/07)

and

GRACELAND BIDVEST (PTY) LTD FIRST RESPONDENT

(2021/153612/07)

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC) Second Respondent

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Presiding Member of the Companies Tribunal: N. CAWE

Date of Decision: 30 June 2023

DECISION (Reasons and Order)

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1. INTRODUCTION

1.1. The Applicant is BIDVEST INDUSTRIAL HOLDINGS (Pty) (Ltd) , a company duly incorporated and registered in accordance with the Companies Act 71 of 2008,

with registration number 1990/003829 and having its principal place of business at 2nd Floor, Bidvest House, 18 Crescent Drive, Melrose Arch, 2196.

1.2. The Applicant is a wholly owned subsidiary and the intellectual property holding company of the Bidvest Group Limited (‘’BIDVEST’’), which is a services and distribution company

1.3. The Applicant operates through its seven (7) divisions, namely; automotive, commercial products, financial services, freight, branded products, Services International and Services South Africa.

1.4. The First Respondent is GRACELAND BIDVEST (Pty) Ltd., a company duly incorporated in terms of the Act, with registration number 2021/153612/07, and having its registered address at 26 Marina Court, Corner Duke of Kent and Market Streets, Krugersdorp, Gauteng, 1739.

1.5. Second Respondent is the Companies and Intellectual Property Commission, an organ of state established in terms of Section 185 of the Act, having its principal place of business at DTI Campus, Block F, 77 Meinjties Street, Sunnyside, Pretoria, Gauteng (“CIPC). The Second Respondent is cited in its official capacity only and as the custodian of the companies register.

2 BACKGROUND TO THE APPLICATION

2.1 This is an application for a Default Order determining, in terms of Section 160 of the Act, that:

(i) the First Respondent’s company name, ‘’Gracelands Bidvest (Pty) Ltd’’ does not satisfy the requirements of Sections 11 of the Act, read with Regulation 153 of GN R351 GG 34239/ 2011, and

(ii) that First Respondent should be directed to change its name as provided for in Section 160 (3)(b)(ii) of the Act.

2.2 According to Ilze Roux, the corporate Affairs Executive at the Applicant company, in her Founding Affidavit (paragraphs 6.1 and 6.2), on 6 December 2022 the Applicant was alerted to the existence of the First Respondent by Edward Nathan Sonnenbergs (ENSafrica). Applicant instructed ENSafrica, its attorneys of record, to send a Letter of Demand to the First Respondent calling on it to change its name to one not incorporating the ‘’BIDVEST’’ trade mark, or any trade mark confusingly similar to the Applicant. Such letter was sent by ENSafrica on 9 December 2022, via courier, to First Respondent’s registered address. First Respondent was given until 20 December to respond. The letter was returned by the courier as there was no one to receive it at the First Respondent’s registered address.

2.3 A follow up letter was sent, via courier, by ENSafrica to Respondent’s registered address, making the same demand as mentioned above on 24 January 2023. The First Respondent was given until 3 February to respond. The courier returned the letter as undelivered as it could not access the First Respondent’s premises.

2.4 On 14 April 2023 the Companies Tribunal received the Applicants application for relief (Form CTR142). The stamped Form CTR 142 was served on the First Respondent on 18 April 2023, via courier. .

2.5 First Respondent did not file an answering affidavit within the statutory twenty (20) business days, following which, on 13 June 2023, Applicant Form CTR 145.

2.6 GAELYN CLARE SCOTT, a director at ENSafrica, deposed to the affidavit in support of the Default Judgement application on 04 June 2022.

3 ISSUES TO BE DECIDED

3.1 Applicant requests the Tribunal to make a finding that First Respondent’s name, GRACELAND BIDVEST (Pty) Limited, does not satisfy the requirements of Section 11 of the Act and submits that the inclusion of the words ‘’BIDVEST’’ in First Respondent’s name infringes on Applicant’s registered trade mark and is in violation of Section 34 of the Trade Marks Act 194/93 (‘’the Trade Marks Act’’) in that it is a memorable feature

of First Respondent's name and that Applicant has not authorised its use by the First Respondent.

3.4 Applicant seeks an order wherein First Respondent is ordered to change its name to one which does not incorporate the words ''BIDVEST'' and is not confusingly and/or deceptively similar to the Applicant's name ''BIDVEST''.

3.5 Applicant submits that the dominant and memorable part of First Respondent's name is identical to the Applicant's trademark "BIDVEST". Applicant contends that the remaining portion of First Respondent's name 'Driving School' is purely descriptive of its activities and business interests. Applicant concludes that First Respondent's name is therefore confusingly and deceptively similar to Applicants' registered trademark 'Flight Centre'.

4 APPLICABLE LAW

4.1 **Section 11** of the Act provides as follows: "11. **Criteria for names of companies.** —

(1)…

(2) The name of a company must—

(a) not be the same as—

(i) the name of another company, domesticated company, registered external company, close corporation 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), as a business name in terms of the Business Name Act, 1960 (Act No. 27 of 1960), unless he 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 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 Mark 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; 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 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; …

(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;"

4.2 **Section 160** of the Act deals with **disputes concerning reservation or registration of company names** and enunciates the jurisdiction of the Companies Tribunal 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****.(emphasis added)*

(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, 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; and

(b) may make an administrative order directing-

(i) the Commission to

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

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

(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."

4.3 **Companies Regulation 153** of 2011 provides for Default Orders as follows:

(1) 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.

(2) On such an application "the Tribunal may make an appropriate order-(a) after it has heard the required evidence concerning the motion, and (b) if it is satisfied that the notice or application was adequately served"

4.4 **Section 34 (1) of the Trade Marks Act (Act 194/93***) which states that the rights acquired by the registration of a trade mark shall be infringed by-*

(a) The unauthorized use in the course of trade in relation to the goods or

services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion;

(b) The unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are similar to the goods or services in respect of which the trade mark is registered, that in such as there exists the likelihood of deception or confusion.

5 EVALUATION

5.1 The First Respondent failed to respond to Applicant's attempts to communicate its objection to the First Respondent's use of the name "BIDVEST", initially by courier and later by a follow up letter. Subsequent to the non-response by the Respondent, Applicant served the application documents by placing them inside the gate of the Respondent. There is, attached to the Applicant's paper, a return of Service by Jeremy De Beer.

5.2 Given the First Respondent's stance in this matter, and considering the importance of this matter to the Applicant, it is evident that the Applicant had no alternative but to proceed with the application for relief hence the present default application. I am persuaded that the application of Regulation 153 is appropriate in this instance, and will thus proceed to deal with the matter on a default basis.

5.3 The question has to be asked whether the First Respondent's name is confusingly similar to that of the Applicant, moreover, would third parties confuse the First Respondent as part or subsidiary of the Applicant. The answer, I submit, would be in the affirmative.

5.4 In my view the Applicant has succeeded in establishing that its trade mark right have been infringed and it has established clear right to relief sought, which is

in terms of Section 34 (3)(a) and (b) of the Trade Marks Act.

5.5 Dealing with the issue of Trade Marks infringement, In **Vermark (Pty) Ltd v BMW AG [2007] SCA 53 (RSA) paras 6-7, the SCA** approved the view taken by the House of Lords in **R v Johnstone [2003] UKHL 28** (22 May 2003), wherein Lord Nicholls stated:

"…the essence of a trade mark has always been that it is a badge of origin. It indicates a trade source: a connection in the course of trade between the goods and the proprietor of the mark. That is its function'

5.6 The Applicant has clearly succeeded in establishing a clear right to relief sought under Section 34 (3)(a) of the Trade Marks Act

5.7 In Applicant's founding affidavit Roux, at Paragraph 7.5, avers the following:

"*Further, the Applicant has valid grounds for alleging that the First Respondent's company name contravenes the provisions of Section 11(2) of the Act. 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/services provided, or intended to be provided, by the First Respondent. In addition, quality of the goods and/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 confusingly similarity between the First Respondent's company name and the well-known BIDVEST trade mark"*

5.8 Taking into consideration Roux, averments above, it can, therefore, also be concluded that the word 'BIDVEST' in First Respondent's name will mislead the reasonable person to believe, incorrectly, that there is an association with the Applicant's 'BIDVEST' trademarks.

6. **FINDINGS**

6.1 I am persuaded that the Applicant has made out a case that the First Respondent did not comply with Sections 11(2)(b) and (c): its name is confusingly similar and falsely implies, or could reasonably mislead a person to believe, incorrectly, that First Respondent is part of, or associated with the Applicant.

6.2 In **Rovex Ltd and another v Prima Toys (Pty) ltd 1981 (2) SA 447 (C**) ("Rovex") it was stated as follows*; ''…If a defendant uses an ordinary English word or words, there is no doubt the public will be less likely to regard it as a proprietary word and associate it with a similar word registered by the Plaintiff than would be if both words were invented words which had no meaning appropriate to the goods in question''*. I am persuaded that the dictum in Rovex is applicable in the instant case

6.3 The Application is granted the Order as set out below.

7. ORDER

7.1 An administrative order is made in terms of Section 160(3)(b)(ii) as follows:

(i) Respondent change its name to one which does not consist of, or incorporate the trade mark 'BIDVEST' or any other mark which is confusingly and/or deceptively similar to the Applicant's 'BIDVEST' trade mark as it is in contravention of Sections 11(2)(b)(iii) and (c)(i) of the Act.

(ii) The CIPC is authorised and directed to change the name of the Respondent in the event of the Respondent not complying with paragraph (i) above within 60 days from the date of receipt of this order.

7.2 The Respondent is hereby ordered to file a notice of amendment of its Memorandum of Incorporation with the CIPC 60 days after it has been served with this Order.

7.3 The instant Order must be served on the Respondent by the Tribunal's Recording Officer (Registrar).

7.4 There is no order as to costs as the matter has not been opposed.

N. CAWE