



IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA

CASE NO: CT01598/ADJ/2023

In the matter between:

NATIONAL BRANDS LIMITED

Applicant

And

EAT SOME MORE MINI SHOP (PTY) LIMITED

First Respondent

COMPANIES AND INTELLECTUAL PROPERTIES

COMMISSION

Second Respondent

Presiding member of Tribunal: Hlaleleni Kathleen Dlepu

Date of Decision: 31 January 2024

DECISION

INTRODUCTION

1. The Applicant is **National Brands Limited**, Registration no. **1948/029389/06**, a South African company registered in terms of the company laws of South Africa with its registered address at **30 Sloane Road, Bryanston, Gauteng**.
2. The First Respondent is **Eat Some More Mini Shop (Pty) Ltd**, with registration no. **2022/447133/07** a private company incorporated in terms of the company laws of South Africa with its registered address at Shop No. **6 Lutz Street, Hotel Shop 2 ,Williston, Northern Cape, 8920**.
3. The second Respondent is the **Companies and Intellectual Property Commission** established by the Companies Act 71 of 2008 as a juristic person to function as an organ of the State.

BACKGROUND

4. The Applicant issued and filed a notice of motion in compliance with form CTR145 in terms of section 180 to 184 of the Companies Act ,2008 and Regulation 145 (3) of the Companies Regulations,2011 against the 1st Respondent, wherein the Applicant requested the Companies Tribunal to grant it the following relief by default judgement:
 - 4.1 That the First Respondent's name does not comply with Sections 11(2)(b) and 11(2)(c)(i) of the Act.
 - 4.2 That the First Respondent is directed, in terms of Section 160(3)(b)(ii), to choose a name which does not consist of, or incorporate the words **EET SOME MORE**, or any other mark which is confusingly and/or deceptively similar to the Applicant's **EET-SUM-MOR** trademark.

4.3 In the event that the First Respondent fails to comply with the order set out in paragraph 4.2 above within 2 months from the date of the order, that the Second Respondent be directed, in terms of Section 160(3)(b)(ii) read with Section 14(2) of the Companies Act, to change the First Respondent's name to "2022/447133/07 (Pty) limited", as the First Respondent's interim company name on the Companies Register;

4.4 An order as to costs in favour of the Applicant in terms of Regulation 156 of the Act. In terms of Section 160(3) of the Companies Act 71 of 2008 and Regulation 153 of the Companies Regulations of 2011.

The Applicant contends that the application and order sought is based on the following reasons:

4.5 The company name offends against the provisions of Sections 11(2)(b) and 11(2)(c)(i) of the Companies Act 71 of 2008 by incorporating the name that is identical and/or confusingly similar to the Applicant's registered **EET-SUM-MOR** trademark and that the use by the First Respondent of the company name is 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

In terms of Regulation 143, the First Respondent had until the 8th January 2024 to serve and file its answer to the Applicant's application. The deadline passed and no answer was served.

5. According to paragraph 8.1 of the Applicant's affidavit, the 1st Respondent has on numerous occasions been given an opportunity to co-operate, and on its own volition given by the Applicant an opportunity to choose a name which is not confusingly and/or

deceptively similar to the Applicant's **EET -SUM-MOR** trademark, however the Applicant failed to do so.

THE APPLICANT'S SUBMISSIONS

6.

6.1 The Applicant is the proprietor in South Africa with the following trademark registration which gave rise to this application: -

6.1.1 Trademark: **EET-SUM-MOR** which was first registered as a trademark by the Applicant under class 30, **registration no. 1942/01157**, date of grant is 15 March 1943. Goods: bread biscuits and cakes.

6.1.2 The Applicant subsequently registered different trademarks which are annexed to the Applicant's affidavit as follows:-

6.1.2.1 **EET-SUM-MOR registration no. 1966/00995**, class 5, registered on the 1 November 1966, Goods: infants and invalids, foods.

6.1.2.3 **EET-SUM-MOR registration no 1966/00996**, class 30, date registered, 1 November 1966, Goods: Biscuits, bread, cakes, flour, pastry, flour confectionary, cereal products.

7. The above-mentioned trademarks are still valid and in force.

8. The Applicant has made widespread and extensive use of its **EET-SUM-MOR** trademark since 1940's and their products are well-known amongst consumers and are a household name in South Africa. The trademark is permanently displayed on its packaging.

9. The trademark has been in use for over 80 years in respect of its quality biscuit products and that the Applicant enjoys strong common law rights in and to its **EET-SUM-MOR** trademark.
10. As part of the promotion of its trademark, the Applicant publishes recipes incorporating its **EET-SUM-MOR** products.
11. The sales figures in respect of the Applicant's **EET-SUM-MOR** products in South Africa over the past 5 years are in excess of R1 Billion combined and the Applicant has spent an estimated R75 Million over the 5year period on promotions and advertising and as such it enjoys a significant reputation and goodwill over the years.
12. The Applicant's trademark has become an asset of commercial value and of great importance to the Applicant. Any unauthorized use of this trademark, or of confusingly or deceptively similar marks, is damaging to its asset and to the business of the Applicant in South Africa.

ISSUES

13.
 - 13.1 During April 2023, the existence of the 1st Respondent, **EAT SOME MORE MINI SHOP (PTY) LTD** came to the Applicant's attention through the Applicant's Attorneys Adams & Adams.
 - 13.2 The Applicant contends that the 1st Respondent's name, **EAT SOME MORE MINI SHOP (PTY) LTD** is phonetically and conceptually identical to the Applicant's well-known trademark, **EET-SUM-MOR**, and that the remaining element of the company name being **Mini Shop** is purely descriptive and does not serve

adequately to distinguish the company name from the Applicant's **EET-SUM-MOR** trademark.

- 13.3 The Applicant contends that the 1st Respondent's name is, confusingly and/or deceptively similar to the Applicant's registered trademark **EET-SUM-MOR**.
- 13.4 The Applicant contends that the 1st Respondent can conduct any type of business however, it has been established that the First Respondent is operating as a shop, and this use of the First Respondent's name, will amount to trademark infringement in terms of section 34(i)(a) and /or alternatively section 34(i)(b) of the Trademarks Act.
- 13.5 The Applicant further contends that it is highly likely that the members of the public will assume that the 1st Respondent is, in some manner connected or associated with, or endorsed or licensed by the Applicant, when it is not the case.
- 13.6 That the use of the 1st Respondent's name in trade is also likely to take unfair advantage of, or be detrimental to, the distinctive character and repute of the Applicant's well-known **EET-SUM-MOR** trademark. The use by the 1st Respondent of the name will take unfair advantage as the result of the distinctive character and the repute of the **EET-SUM-MOR** trademark.
- 13.7 That the continued use of the 1st Respondent's name **EET SOME MORE MINI SHOP (PTY)LTD** will result in a diminution or dilution of the Applicant's rights in its **EET-SUM-MOR** trademark and will open the door to use by third parties of the company names that are identical or confusingly similar to its distinctive trademark.
- 13.8 That the Applicant also has no control whatsoever over the activities of the 1st Respondent and the quality of its products and services, and given the nature of the goods sold by the 1st Respondent, the Applicant is

extremely concerned that the 1st Respondent's name is confusingly similar to the Applicant's registered trademark and therefore, falls foul of the provisions of section 11(2)(b) of the Act ,and is likely to deceive or confuse members of the public into believing that there is some connection between the 1st Respondent and Applicant. The use of the 1st Respondent's name will, therefore, also amount to passing off at common law.

13.9 That the 1st Respondent's company name does not comply with the provisions of section 11(2)(c) of the Act.

13.10 That the Applicant upon being alerted of the existence of the 1st Respondent by the Applicant's Attorneys, the Applicants instructed its Attorneys of record in 8th May 2023 to address a letter to the 1st Respondent advising them to cease the use of the Applicant's well-known **EET-SUM-MOR** trademark.

13.11 The 1st Respondent acknowledged receipt of the email, however by June 2023, no response was received by the Applicant from the 1st Respondent. Subsequent telephone communication with the 1st Respondent Director Ms Abrahams was made by the Applicant's Attorneys of record and during those telephone conversations the 1st Respondent confirmed receipt of the letter dated the 8th May 2023 and the 1st Respondent requested to be clarified about the contents of the letter which was done.

13.12 A subsequent telephone call to the Director of the 1st Respondent indicating that the name of the 1st Respondent does not comply with Section 11(2)(b) and 11(2)(c)(i) of the Act and that the First Respondent should change the company name. The First Respondent did nothing. A follow up email was sent to the 1st

Respondent on the 19th of June 2023 and the First Respondent confirmed receipt and promised to affect the name change within a week but failed to do so.

13.13 Further communication between the Applicant and the First Respondent failed to yield any positive results and every further attempt by the Applicant through its Attorneys of record to contact the First Respondent with a view of settling this matter amicably failed, and the Applicant was left with no option but to institute formal proceedings.

14. **RELIEF SOUGHT BY THE APPLICANT**

114.1 The Companies Tribunal is requested to make the following determination in terms of section 160 (3)(a) of the Act.

14.1.1 That the 1st Respondent's name does not comply with section 11(2)(b) and section 11(2)(c)(i) of the Act.

14.1.2 That the Company Tribunal direct the 1st Respondent in terms of section 160(3)(b)(ii) to choose a name which does not consist of or incorporate, the words **EET SOME MORE** or any other combination which is confusingly and/or deceptively similar to the Applicant's **EET-SUM-MOR** trademark.

14.2 That the 2nd Respondent be directed to change the name of the 1st Respondent to the registration number in the event of the 1st Respondent not complying with paragraph 4 above within 60days from the date of this Order and;

14.2.1 An Order as to costs in favour of the Applicant in terms of regulation 156 of the Act.

14.2.2 That the order be granted by default.

15. **THE APPLICABLE LAW AND EVALUATION OF THE MERITS OF THE NAME
OBJECTION APPLICATION**

APPLICABLE LAW

15.1 Section 11 of the Act provides as follows: “11 criteria for names of companies-

(1)

(2) *The name of the Company must- (a) not be the same as-*

(i) *the name of another company, domesticated company, registered external company, close corporation, or co-operative.*

(b) *not be confusingly similar to a name, trademark, word expression contemplated in paragraph (a) unless-*

(i) *in the case of names referred to in paragraph (a)(i), each company being 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.”*

15.2 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:

(i) *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.*
- (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 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 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*
 - (ii) *a company to choose a new name, and to 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”.

15.3 **Companies Regulation 153** of 2011 provides for default orders.

(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.*

16. **EVALUATION**

16.1 I am convinced that Applicant has made out a case for the main application to be considered on a default basis and proceed to deal with the merits of the case.

16.2 “Similar” in section 11(2)(b) would be “having a marked resemblance or likeness” and that the offending name should immediately bring to mind the well-known trademark or other name. The test for “confusingly similar” is, as in the case of passing-off. “...a reasonable likelihood that ordinary members of the public, or a substantial section thereof, may be confused or deceived into believing that the goods or merchandise of the former are the goods or merchandise of the latter or are connected therewith. Whether there is such a reasonable likelihood of confusion or deception is a question of fact to be determined in light of the particular circumstances of the case.”

16.3 “Confusingly similar” in Section 11(2)(b) has to be examined carefully to determine if this is in fact so *in casu*. In considering case law on the concept, *it must be as alike in a manner that will confuse the “ordinary reasonable careful man, that is, not the very careful man nor the very careless man. “The “reasonable man” has been further qualified: “A rule of long standing requires that the class of persons*

who are likely to be the purchasers of the goods in question must be taken into account in determining whether there is a likelihood of confusion.

- 16.4 In 1948 the courts considered it appropriate to say *“the court must not only consider the marks when placed side-by-side 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.*
- 16.5 In 1983, the **SCA in *Plascon Evans Paints Ltd v Van Riebeeck (Pty)Ltd 1983 (3) SA 623 (A)*** explained that it is necessary to consider the dominant and striking features of the marks.
- 16.6 In 1996, in the case of ***McDonald’s Corporation v Joburgers Drive-Inn*** restaurant with U.S registration and global operations. Although it possessed 52 trademark registrations in South Africa, none of its trademarks had ever been utilized or traded there.
- 16.7 In 2001 the court held: *“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”.*
- 16.8 Most recently but before the promulgation of the Companies Act, No. 71 of 2008, in the case of ***Polaris Capital (Pty) Ltd v The Registrar of Companies and Another 2010 (2) SA 274 (SCA)***, the learned judge in terms of Section 45(2) of the 1973 Companies Act stated as follows; *“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*

promotion good governance and administration of corporate entities in the interest of the general public”.

17. **ORDER**

I therefore make the following order:-

- 17.1 That the Default Judgment relief as sought by the Applicant be granted.
- 17.2 That the name objection Application lodged by the Applicant against the Registration of the Company name of the First Respondent being **Eat Some More Mini Shop (Pty) Ltd** in the Regulator of the Companies by the CIPC is hereby granted;
- 17.3 That the First Respondent's name does not comply with Sections 11(2)(b) and 11(2)(c) (i) of the Act;
- 17.4 That the First Respondent is directed in terms of Section 160(3)(b)(11), to choose a name which does not consist of or incorporate the words **EAT SOME MORE**, or any other combination which is confusingly and/or deceptively similar to the Applicant's **EET-SUM-MOR** trademark. That the second Respondent be directed to change the name of the Respondent to the Regulative number in the event the First Respondent not complying with 20.3 above within 60 (sixty) days from the date of this order.
- 17.5 That the 2nd Respondent cause, this order to be served on the 1st Respondent within 7 (seven) days business days calculated from the date of receipt of this order.
- 17.6 There is no Order as to costs.

HLALELENI KATHLEEN DLEPU

MEMBER OF THE COMPANIES TRIBUNAL

DATED IN JOHANNESBURG ON THE 31ST DAY OF JANUARY 2024