IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA

CASE NO. CT01865/ADJ/2024

LIBERTY GROUP LIMITED (1957/002788/06) **Applicant**

vs

LIBERTY COLLABORATION (PTY) LIMITED (2022/285463/07) **First Respondent**

And

COMMISSIONER OF THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION **Second Respondent**

Presiding Member of the Companies Tribunal: D Terblanche
Date of Decision: 2 September 2024

DECISION (Reasons and Order)

THE PARTIES

1. The Applicant is Liberty Group Limited, a South African company, incorporated according to the company laws of South Africa, under registration number M1957002788, with its registered address at 1 Ameshoff Street, Braamfontein,

Johannesburg, Gauteng, 1627, South Africa. The Applicant is the proprietor of the well-known LIBERTY trade mark.

2. The First Respondent is Liberty Collaboration (Pty) Limited, a company incorporated in terms of the Companies Act 71 of 2008, registration no. 2022/285463/07, with its registered address at 80 Pearce Street, Carolina, Mpumalanga, 1185 (hereinafter referred to as "the First Respondent").

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 state. The Second Respondent has been cited as a party in these proceedings only because the relief sought requires an amendment to the Register as the Applicant seeks the amendment of the First Respondent's registered name. No award for costs will be sought against the Second Respondent, save in the event of these proceedings being opposed by the Second Respondent.

THE APPLICATION

4. This is an application for a default order in respect of the company name. Liberty Collaboration (Pty) Limited, and is based on Sections 11(2) and 160 read with Regulation 153 of the Companies Act 71 of 2008 (hereinafter referred to as **"the Act").**

5. The relevant provisions of section 160 of the CA relating to the application above to the Tribunal 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."
(Emphasis added)

"(2) *An application in terms of subsection (1) may be made —*

within three months after the date of a notice contemplated in subsection (1), if the applicant received such a notice; or
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."

6. Regulation 153(1) 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).

7. In considering whether the Tribunal may grant the Applicant the relief it seeks, the Tribunal must first determine whether the application is in order procedurally, i.e., that the Applicant adhered to the relevant timeframes, prescribed forms, and procedures.

8. Once I have determined the procedural aspects of the application, I will consider the substantive issues as per section 160 of the CA, namely, "… *whether the name, or the reservation, registration or use of the name, (by the First Respondent) … satisfies the requirements of this Act."*

PRELIMANARY MATTERS

9. As the point of departure, I will consider the default application in the light of the provisions of Regulation 13(a) of the Regulations, and the submissions made by the Applicant.

10. Regulation 13(a) of the Regulations provides 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).* "

(Emphasis (underlining) added).

11. According to the Applicant it filed a Company Name Objection against the first Respondent's name with registration no. 2022/285463/07, on the Form CTR 142 as prescribed by Regulation 142(1)(a) of the CA with its supporting affidavit on 24 June 2024. The Tribunal's stamped Form CTR 142, bears the date 25 June 2024.

12. Chantal La Grange ("La Grange"), the Lead Legal Specialist: Risk Product, of the Applicant, deposed to the founding affidavit required by Regulation 142(1)(b) of the Companies Act, in support of the application (the affidavit).

13. La Grange is authorised to depose to the affidavit by means of a resolution of the board of directors of the Applicant. I have perused the Resolution. I am satisfied that La Grange was duly authorised to depose to the affidavit.

14. In terms of **Regulation 142(2)** of the CA the Applicant had to serve the application on the First and the Second Respondents within five (5) days of filing it with the Tribunal, i.e., by no later than 3 July 2024.

15. Gérard Muller Du Plessis ("Du Plessis"), a partner of the Applicant's attorneys, Adams and Adams, deposed to the affidavit in support of the default application.

16. According to Du Plessis the Applicant sent the application to the first Respondent in 26 June 2024, via e-mail. I've perused the copy of the email attached to the application.

17. On 26 June 2024, the Applicant's application was sent to the Second Respondent via e-mail. I annex a copy of the e-mail sent to the Second Respondent on 26 June 2024. I've perused the copy of the email attached to the application.

18. On 27 June 2024, the Sheriff of the High Court, Mr. ME Mahlangu, duly served a copy of the application at the registered address of the first Respondent, being 80 Pearce Street, Carolina, Mpumalanga, 1185. I've perused the copy of the Sheriff's return of service.

19. Having perused the annexures evidencing the service of the application on the Respondents, I am satisfied that the application have been properly served on the respondents.

20. In terms of **Regulation 153(1)** read with **Regulation 143(1)** of the CA, the First Respondent had twenty (20) business days to respond, failing which the Applicant is entitled to apply for a default judgment order as provided for in **Regulation 153(1).**

21. The 20 days expired on in respect of the Second Respondent and on 24 and 25 July 2024 respectively.

22. According to Du Plessis to date of the default judgment application, the Respondents have not filed their responses to the main application.

23. Having considered the requirements of **Regulation 153** read with **Regulation 143** of the Regulations, I am satisfied that the Applicant has made out a case for its main application to be considered on a default basis against the first and second Respondents.

THE APPLICANT'S SUBMISSIONS

24. The Applicant is a leading financial services group. The Applicant was founded in 1957. Currently the Applicant has a presence in over 24 African countries.

25. The Applicant is a wealth management group, providing services in asset management, health and insurance related products, investment management services, property investment and retirement income facilitation.

26. The Applicant was listed in the Johannesburg stock exchange in 1962. Its subsidiary, Liberty International, was established in the UK in 1980 and listed on the London Stock Exchange in 1981.

27. The Applicant is the owner of the well-known Liberty trade mark. It has registered 20 the Liberty trade mark and incorporated its Liberty trade mark in various marks, in various marks in a number of classes in relation to a range of goods and services, in South Africa and across Africa, and has currently pending applications.

28. The Applicant's trade mark and the goodwill they represent are of considerable commercial value and importance to the Applicant.

29. The Applicant has through constant marketing and promotion of its name, trade mark, goods and services established a substantial reputation and goodwill in its Liberty trade mark.

30. Any unauthorized use of these trade marks or of confusingly or deceptively similar marks, is damaging to the assets and the business of the Applicant.

31. The existence of the First Respondent, Liberty Collaboration (Pty) Limited came to the Applicant's attention in July 2023 when it was reported to the Applicant by its attorneys.

32. The incorporation of the First Respondent took place more than 60 years after the Applicant began using its **LIBERTY** mark.

33. The Applicant has made every possible attempt to settle this matter amicably. without the need for formal proceedings, to no avail. Accordingly, formal proceedings had to be instituted.

34. The Applicant applied to the Tribunal to decide in terms of **section 160** (1) of the CA whether the First Respondent's name satisfies the requirements of **section 11** of the CA.

35. The Applicant has an interest in the name of the First Respondent for the purpose of Section 160 of the Act, as the First Respondent's name wholly incorporates and is confusingly and/or deceptively similar to the well-known and registered **LIBERTY** trade mark, in which the Applicant has a major and direct commercial interest.

36. The Applicant argues that the First Respondent's company name does not comply with the provisions of Section 11(2)(c) of the Act, in that it falsely implies, and suggests, and is such as would reasonably mislead a person to believe incorrectly, that the First Respondent is part of, or associated with, the Applicant, moreover as -

36.1. The use of the company name, Liberty Collaboration (Pty) Limited, by the First Respondent, will take unfair advantage of the Applicant's **LIBERTY** trade mark and give the First Respondent a springboard advantage because of its identity to the Applicant's trade mark. The First Respondent will, therefore, derive an unfair trade advantage as a result of the character and the repute of the **LIBERTY** trade mark.

36.2. The use of the Applicant's **LIBERTY** trade mark by the First Respondent in trade, will result in a diminution or dilution of the Applicant's rights in its **LIBERTY** trade mark, in its particular field of interest.

36.3. Given the risk of confusion and/or deception, the Applicant views the registration of the First Respondent's name as high risk.

36.4. The Applicant also has no control whatsoever over the activities of the First Respondent and the quality of its products and/or services. If the First Respondent's products or services are of an unacceptable standard, or even of any other standard not identical to that of the Applicant, use of the trade mark **LIBERTY** by the First Respondent in relation thereto could well discredit or affect in some other way the good name and reputation which the Applicant enjoys in the trade.

36.5. Given the nature of the Applicant's suggested activities and having regard to the various collaborative efforts by the Applicant, especially as it relates to its charitable endeavours, the First Respondent's company name is of concern and Applicant seeks to protect its various stakeholders from confusion and/or deception.

36.6. Importantly, the use by the First Respondent of its company name is not authorised by the Applicant. There is no association and/or connection between the Applicant and the First Respondent.

36.7. The First Respondent's name is, therefore, confusingly similar to the Applicant's registered trade mark and, therefore, falls foul of the provisions of Section 11 (2)(b) of the Act.

36.8. Furthermore, in view of the extensive reputation that the Applicant enjoys in its **LIBERTY** trade mark, use of the First Respondent's name in trade is likely to deceive or confuse members of the public, into believing that there is some connection between the First Respondent and the Applicant, when this is not the case. In particular, members of the public are likely to believe that the First Respondent is licensed to use the Applicant's trade mark, or that the First Respondent was formed for the purpose of rendering services on behalf of the Applicant. Use of the First Respondent's name therefore also amounts to passing-off at common law.

37. The Applicant further argues that –

37.1. *The dominant and memorable portion of the First Respondent's name, Liberty Collaboration (Pty) Limited, is **LIBERTY** which is, of course, identical to the Applicant's **LIBERTY** trade mark. The remaining wording of the company's name is purely descriptive and, therefore, cannot serve adequately to distinguish the company's name from the Applicant's name and trade marks. In fact, the addition of the word **COLLABORATION** will only contribute to members of the public being confused and/or deceived into believing that the First Respondent is in some way connected and/or associated with the Applicant. The word **COLLABORATION** suggests some sort of relationship between the Applicant and the First Respondent, when no such relationship exists. The First Respondent's name is, therefore, confusingly similar to the Applicant's registered trade mark, **LIBERTY.***

37.2. *The First Respondent's principal business has not been recorded and, in the circumstances, the company is entitled to conduct any type of business. However, judging by the First Respondent's name, it appears to be engaged in*

collaborative efforts. Of course, as evidenced above, the Applicant is and has been involved in numerous collaborations and partnerships with various different organisations. More importantly, the services likely offered by the First Respondent will almost certainly be included in the services covered by the Applicant's various trade mark registrations in classes 25, 36, 38, 41 and 42, details of which are set out in paragraph 4.5 above. In light of this, use of the First Respondent's name will, therefore, amount to trade mark infringement in terms of the Trade Marks Act.

37.3. *Additionally, use of the First Respondent's name in trade is also likely to take unfair advantage of, and be detrimental to, the distinctive character and repute of the Applicant's well-known **LIBERTY** trade mark. The use of the First Respondent's name is likely to dilute the Applicant's trade mark rights. Therefore, use of the First Respondent's name amounts, or will amount, to trade mark infringement in terms of Section 34(1)(c) of the Trade Marks Act.*

THE SUBSTANTIVE ISSUE FOR CONSIDERATION

38. The substantive question for consideration is whether the First Respondent's company name contravenes the provisions of section 11(2)(b) of the CA.

ANALYSIS AND EVALUATION

39. This application is before the Tribunal unopposed on a default basis.

40. **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."

41. Considering the background, submissions and authorities the Applicant's sketched out in support of its application (see above) and the provisions of section 11 (2) (b) and (c) below, I am of the view that the Applicant has shown good cause to bring this application under section 160(2) of the CA.

42. **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."*

43. Sections **11** (2)(b) and **section 11** (2)(c)(i) of the **Companies Act, as** far as they are applicable, read as follows:

(The name of a company must) –

(b) not be confusingly similar to a name, trade mark, 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;

(ii) 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;

(iii) 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

(iv) 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.

*(*The name of a company must) –

(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…"

44. The crucial question is whether the First Respondent's name is confusingly similar to the Applicant's "Liberty" trade mark in contravention of **section 11(2)(b)** of the **Companies Act.**

45. I am of the view that indeed the First Respondent's name is confusingly similar to the Applicant's trade mark in contravention of section 11(2)(b) of the CA.

45.1. There is a striking similarity between the Applicant's trade mark and the First Respondent's company name.

45.2. There are visual, phonetic, and conceptual similarities between the First Respondent's name and the Applicant's trade mark.

45.3. The Applicant's "Liberty" trade mark forms a dominant part of the First Respondent's name.

45.4. The word 'Collaboration' in the First Respondent's name does not detract from the confusing similarity between the Applicant's trade mark and the First Respondent's name.

46. I agree with the Applicant that there is a reasonable likelihood that the public might be confused into believing that they are dealing with the Applicant when they are in fact dealing with the First Respondent, particularly considering that they may not see the First Respondent's name and the Applicant's trade mark side-by-side.[3]

47. **In *Plascon-Evans Paints (TVL) Ltd. v Van Riebeeck Paints (Pty) Ltd.*[4] ("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" –

"*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.*

48. As CORBETT JA emphasized that the comparison must not be confined to a viewing of the marks side by side, but "… *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."*

49. I took into account that the Applicant has no control over the business the First Respondent may choose to conduct, or the quality of the goods and services sold and/or rendered to the public by the First Respondent.

50. I find that the First Respondent's name is so confusingly similar to the Applicant's trade mark that it falsely implies or suggests or would reasonably mislead a person to believe incorrectly that the First Respondent's company is part of, or associated with the Applicant, in contravention of section 11(2)(c) of the Companies Act.

51. In the light of the above and considering the conspectus of case law, 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.

CONSIDERATION OF THE ORDERS SOUGHT

52. The Applicant prays for an order from the Companies Tribunal namely to –

52.1. make the following determination in terms of Section 160(3)(a) of the Act that the First Respondent's name does not comply with Sections 11 (2)(b) and 11 (2)(c)(i) of the Act;

52.2. 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 mark **LIBERTY,** or any other mark which is confusingly and/or deceptively similar to the Applicant's **LIBERTY** trade mark;

52.3. that the Second Respondent be directed to change the name of the First Respondent to the registration number, in the event of the First Respondent not choosing a name which does not consist of, or incorporate, the mark **LIBERTY,** or any other mark which is confusingly and/or deceptively similar to the Applicant's **LIBERTY** trade mark, within 60 days from the date of this order; and

52.4. an order as to costs in favour of the Applicant in terms of Regulation 156 of the Act.

DISCUSSION OF ORDER SOUGHT

53. 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."*

54. This Tribunal has previously illustrated circumstances where an infringing name cannot be left on the Companies Register in ***Jôst 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 (unreported under case no 11607/2005 CPD)*** at paragraph 5.8, 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*".

55. 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 mark, 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.

56. In the light of my findings above, it would y be appropriate for this Tribunal to make the orders the Applicant requested as set out in paragraphs 52.2 to 52.4 above.

COSTS

57. The Applicant seeks a costs order against the First Respondent to pay the Applicant's costs in terms of Regulation 156 of the Act.

58. In the matter of ***Val De Vie Intellectual Property (Pty) Ltd. v VAL DE VIE (PTY) LTD and The Commissioner of Companies CT00225/ADJ/2019*** dated 19 October 2020 Khashane La M. Manamela (Mr.) at paragraph 9 stated the following:

"*[9] ... An order for costs is contemplated by regulation 156 of the Companies Regulations. I am inclined to grant such an order. There is evidence to the effect that the first respondent's director rebuffed overtures by the applicant - through the latter's attorneys - to change its patently objectionable company name prior to the launch of this application. Besides, there is no reason why costs should not follow the outcome in this matter. Therefore, I will also order that the first respondent pay the applicant's party and party costs."*

59. In **Agility Holdings (Pty) Ltd v Company Tribunal and Others (92630/2019) [2022] ZAGPPHC 70 (11 February 2022)** Davis, J held that -

"3.5 The general rule regarding costs is that, save in exceptional circumstances where the successful party may be deprived of its costs, costs should follow the event. This is because "*the purpose of an award for costs is to indemnify a successful party who has incurred expenses*" in instituting legal proceedings." The court referred to the cases listed in footnote 2 at D5 - 1 of ***Van Loggerenberg, Erasmus Superior Court Practice, second edition.***

"3.6 The award of costs furthermore amounts to an exercise of the court's discretion. The learned author referred to above, sums up the relevant case law in this regard as follows (at D5-6):

> "*In leaving the court a discretion, the law contemplates that it should take into consideration the circumstances of each case, carefully weighing up the issues in each case, the conduct of the parties and any other circumstances which may have a bearing on the issues of costs and then make such an order as to costs as would be fair and just between the parties.*"

60. I am inclined to make a costs order against the First Respondent. In this matter the Applicant made every effort to settle this matter amicably to no avail, thus forcing the Applicant to institute these proceedings. The Applicant communicated with the First Respondent on more than one occasion including clarifying the process of acceptance of company names in SA and inviting the First Respondent to seek legal advice on its position.

ORDER

61. Having considered the Applicant's application, the orders the Applicant seeks, and the orders the CT may grant, the Tribunal hereby –

61.1. Makes a determination that the First Respondent's name does not comply with sections 11(2)(b) and 11 (2)(c)(i) of the CA;

61.2. Directs the First Respondent in terms of section 160(3)(b)(ii) to change its name to one which does not consist of, or incorporate, the mark "LIBERTY", or any other mark which is confusingly and/or deceptively similar to the Applicant's "LIBERTY" trade mark;

61.3. Exempts the First Respondent from the requirement to pay the prescribed fee for filing the notice of amendment contemplated above.

61.4. Directs the Second Respondent to change the First Respondent's name to the registration number followed by "(Pty) Ltd.", in the event of the First Respondent not complying with the order to change its name within 60 (sixty) days from the date of this order;

61.5. Orders the First Respondent to pay the Applicant's costs in terms of Regulation 156 of the Act on a party and party scale of the High Court of South Africa; and

61.6. Instructs the Registrar of the Companies Tribunal to bring this ruling to the attention of the First and the Second Respondents.

DATED AT JOHANNESBURG ON THIS 2nd DAY OF SEPTEMBER 2024.

MS D R TERBLANCHE
MEMBER OF THE COMPANIES TRIBUNAL

[1] Regulation 153 provides that –

"(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] See section 160(1) of the CA.

[3] American Chewing Products Corporation vs American Chicle Co-operation **1948 (2) SA 736/A** (also mentioned In GAP (Pty) Ltd v The Corporate Gap (Pty) Ltd [CT012MAR2019]):

[4] (53/84) **[1984] ZASCA 51**; **[1984] 2 All SA 366** (A); **1984 (3) SA 623**; **1984 (3) SA 620** (21 May 1984)