IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case No: CT1899/ADJ/2024

In the matter between:

MONDI SOUTH AFRICA (PTY) LTD **APPLICANT**
(1967/0130038/07)

and

MONDI LOGISTICS (PTY) LTD **FIRST RESPONDENT**
(2023/748163/07)

COMPANIES AND INTELLECTUAL PROPERTY
COMMISSION (CIPC) **SECOND RESPONDENT**

Presiding Member of the Companies Tribunal: MINAH TONG-MONGALO
Date of Decision: 16 JANUARY 2025

DECISION (Reasons and an Order)

---

1. INTRODUCTION

1.1. The Applicant is Mondi South Africa (Pty) Ltd, a company duly incorporated in terms of the company laws of South Africa, with registration number

1967/0130038/07, and its registered place of business is recorded as Merebank Mill, Travencore Drive, Merebank, Kwa-Zulu Natal, 4052.

1.2. First Respondent is Mondi Logistics (Pty) Ltd, a company incorporated in terms of the Companies Act 71 of 2008 ("the Act"), with registration number 2023/748163/07, and having its registered address at Unit 10 San Torini, 374 Walker Street, Sunnyside, Pretoria, Gauteng.

1.3. The Second Respondent is the Companies and Intellectual Property Commission ("CIPC), a juristic person established in terms of s185(1) of the Act.

2. BACKGROUND

2.1. The Applicant has requested this Tribunal to make a determination order declaring that the First Respondent's name does not satisfy the provisions of s11(2) of the Act. It submits that including the word 'MONDI' in the First Respondent's name infringes its registered trademarks.

2.2. After discovering the First Respondent's existence in October 2023, the Applicant attempted to resolve the dispute with the First Respondent, but such efforts didn't yield the desired results. Thus, the Applicant has approached this Tribunal to resolve the name dispute.

2.3. The Applicant served this application on both the First and Second Respondent. None of the Respondents oppose this application. To this end, I shall proceed to consider the merits of this matter on a default basis.

3. THE APPLICANT'S SUBMISSIONS

3.1. In support of its application, the Applicant has made the following submissions:

3.1.1. The Applicant owns the trademark "MONDI" in various classes.

3.1.2. The two names are confusingly similar, and the addition of "LOGISTICS" in the First Respondent's name does not sufficiently distinguish them. On

the contrary, this exacerbates the likelihood of confusion because the Applicant undertakes logistic activities as part of its business operations.

3.1.3. There is a likelihood that the First Respondent's products and services may be attributed to the Applicant due to the two confusingly similar names.

3.1.4. The dominant and memorable name in the First Respondent's name is MONDI, which is phonetically and visually similar to the Applicant's registered trademark.

3.1.5. The First Respondent's name is confusingly similar to the Applicant's trademark, MONDI, and the Applicant has a direct interest in MONDI.

4. APPLICABLE LAW

4.1. **Section 11** of the Act sets out the criteria for names permitted to be registered in the register of companies. Amongst others, the name in question "not be confusingly similar to a name, trademark, mark, word or expression of a registered trademark belonging to a person other than the company unless such trademark owner had consented to the use of their trademark.

4.2. **Section 160** of the Act grants a party with an interest in a registered or reserved name a right to apply to this Honorable Tribunal to determine whether the name in dispute satisfies the requirements of this Act. The Tribunal may make an order in line with this section.

4.3. **Companies Regulation 153** of 2011 permits the Companies Tribunal to make a default order if the person served with the initiating document fails to respond to the application.

5. EVALUATION

5.1. Section 11(2)(b) of the Act restricts the registration of names that are 'confusingly similar to a name, trademark, mark, or word or expression' to that of the aggrieved party.

5.2. “Similar” means the name in question has “a marked resemblance or likeness” to that of the Applicant. The offending name should immediately bring to mind the well-known trademark or name.[1] 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. The names must be so alike that it may confuse the “ordinary reasonable careful man, i.e., not the very careful man nor the very careless man.”[2] The “reasonable man” is “the class of persons who are likely to be the purchasers of the goods in question.”[3]

5.3. Whether there is a reasonable likelihood of confusion or deception is a question of fact to be determined considering the case's particular circumstances.[4] The fundamental principle underlying trademark protection is the prevention of consumer confusion regarding the source of goods or services. Consumers make purchasing decisions and rely heavily on branding and trademarks to inform their choices. If a trademark is not adequately protected, it opens the door for counterfeit or inferior goods to infiltrate the market under the guise of a reputable brand. This name confusion not only misleads consumers but can also significantly harm their interests, including financial loss and exposure to unsafe products.

5.4. The intellectual property owners and reputable business names must be protected from ‘those passing themselves or coat-tailing’ on their reputation and goodwill.[5] “[T]he 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

[1] *Bata Ltd v Face Fashions CC* 2001 (1) SA 844 (SCA)
[2] *Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd* 1979 (2) SA 276 (E) at 280. *In Cape Town Lodge CC v Registrar of Close Corporations and another* [2008] 2 All SA 34 (C) 38 the court found that travellers were unlikely to think that Cape Town Lodge was part of the City Lodge.
[3] *Reckitt & Colman SA (Pty) Ltd v SC Johnson & Son SA (Pty)* Ltd 1993 (2) SA 307 (A) at 315F-G.
[4] *Adidas AG & another v Pepkor Retail Limited* (187/12) [2013] ZASCA 3 (28 February 2013) para 28; *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others* 1977 (2) SA 916 (A) at 929.
[5] Farouk Cassim et al *The Law of Business Structures* 2 ed Juta and Company Ltd (2021) at 120.

course of business.'[6] The Supreme Court of Appeal[7] held that the same test applicable to the infringement of trademark applies to S 11 (2)(b) and S 11 (2) (c) of the 2008 Companies Act. The court considered whether, in that case, "a substantial number of persons will probably be deceived into believing or confused as to whether there is a material connection in the course of trade between the respondents' goods and services and the appellant's trademark."[8]

5.5. Therefore, the fundamental question is whether a reasonable man, who need not be prudent as per *Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd,* is likely to be deceived that the two entities are associated.

5.6. I conclude that the concurrent use of the First Respondent's name and the trademark may cause confusion and/or deception, which could harm the Applicant's business, particularly since it has no control over the calibre of services provided by the First Respondent. Our courts have explained the concept of imperfect recollection.[9] 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 him side by side and that memory is often imperfect.

5.7. Thus, permitting the First Respondent to keep the name 'MONDI' in its company name will create confusion and hinder the Second Respondent from maintaining and promoting good governance and administration of a corporate entity in the general public's interest.[10] Evidently, the name 'MONDI', as incorporated in the First Respondent's company name, falls within the ambit of Section 11(2), as argued by the Applicant.

5.8. Finally, I am mindful of the order handed down by Mbongwe, J. in the matter of ***Comair Ltd v Kulula South Africa,[11]*** wherein the court declared that this

[6] *Cowbell AG v ICS Holdings* 2001 (3) SA 941 (SCA).
[7] *Lucky Star Ltd v Lucky Brands (Pty) Ltd and* Others (164/2015) [2016] ZASCA 77 (27 May 2016) para 15.
[8] Ibid at para 6.
[9] *Standard Bank of South Africa Limited v United Bank Limited & Another* 1991 (4) SA 780 (T) 8011 to 802B.
[10] *Polaris Capital (Pty) Ltd v The Registrar of Companies and Polaris Capital Management Inc.* (unreported judgment, Case No. 11607/2005, CPD),
[11] *Comair Ltd v Kulula South Africa (Pty) Ltd* (unreported) High Court of South Africa, Gauteng Division, Pretoria, Case Nr: 65895/2019.

Tribunal is empowered to make an administrative order directing the Second Respondent to change the name of a company to its registration number if the First Respondent fails to change its name within a certain period as ordered.

6. FINDINGS

6.1. The balance of convenience favours the Applicant.

6.2. The Applicant has shown that the First Respondent has transgressed Sections 11(2)(b) and (c) in that its name is confusingly similar and falsely implies, or could reasonably mislead a person to incorrectly believe, that the First Respondent is part of, or associated with the Applicant. Hence it is entitled to an order as claimed in terms of Section 160 of the Act.

6.3. The Applicant's application is granted as set out below.

7. ORDER

7.1. The First Respondent is ordered to:

7.1.1. change its name to one which does not incorporate the word 'MONDI' as it is in contravention of Sections 11(2)(b)(iii) and (c)(i) of the Act; and to

7.1.2. file a notice of amendment of its Memorandum of Incorporation within 30 (calendar) days of receipt of this order.

7.2. The Second Respondent is directed to change the First Respondent's name to its registration number if the First Respondent fails to change it within 30 days of receipt of this order.

7.3. The Tribunal's Recording Officer (Registrar) must serve this order on the Respondents.

7.4. There is no order of costs.

_____ _____

MINAH TONG-MONGALO