

**IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA
(PRETORIA)**

Case No.: ctr008/06/2013

In the matter between:

TIFFANY AND COMPANY

Applicant

and

STYLE BY TIFFANY

Respondent

DECISION

INTRODUCTION

[1] This is an application requesting a default order against the Respondent in terms of section 11(2) and section 160 of the Companies Act 71 of 2008 (the “Companies Act”) read with Regulation 153 of the Companies Act (GNR 351 of 265 April 2011) (the “Companies Regulations”).¹

¹ See the Request for Default Judgment in terms of Regulation 153 application filed by the Applicant on 31 March 2014, read together with the Application for Relief and Supporting Affidavit dated 14 June 2013.

- [2] The Applicant requests that the Respondent be ordered to change its name to one which does not incorporate and is not confusingly similar to the TIFFANY trademark.

PARTIES

- [3] The Applicant is Tiffany and Company, a company duly organized and existing under the laws of Delaware, United States of America, with its place of principal business situated at 727 Fifth Avenue, City and State of New York, United States of America.

- [4] The Respondent is Style by Tiffany (Pty) Ltd, a private company with registration number 2012/058165/07, with its registered address at No. 9, 994 Falls Creek, Swallowtail Street, Little Falls, Johannesburg, South Africa.

PROCEDURE

- [5] Before an application for a default order can be brought by an Applicant, the Applicant must comply with Regulation 142 and Regulation 143 of the Companies Regulations.
- [6] In accordance with Regulation 142 of the Companies Regulations, the Applicant is obliged to serve a copy of the application and the affidavit

on the Respondent within 5 business days after filing it with the Tribunal.

[7] The Applicant, represented by Ewa M Abrams, the Associate General Counsel & Chief Privacy Office, who has been authorized to depose of the affidavit on behalf of the Applicant by virtue of a resolution of the Board of Directors,² filed its application and supporting affidavit with the Tribunal on 14 June 2013 and served the application on the Respondent on 21 June 2013. The application was filed by the Sheriff at the Respondent's registered address, which is also the residential address of one of the directors of the Respondent, Ms. Claudia Phiri.³

[8] From the Sheriff's return of service, it is clear that the premises were locked, that there was no reply on the intercom and that the Sheriff left a note on the main gate. The Sheriff returned to the premises on 22 June 2013, on 24 June 2013 and again on 25 June 2013. On each occasion the premises were locked and there was no reply on the intercom. After several attempts to deliver the application, on 25 of June 2013, the Sheriff affixed the application to the main gate of the Respondent's premises.

[9] On 30 September 2013 the Sheriff attempted to serve the application on the Respondent's alternative address at 15 Kenneth Road, Bramley,

² Annexed to the Supporting Affidavit as EMA1.

³ The registration certificate by the Companies and Intellectual Property Commission (the 'CIPC') and annexed to the supporting affidavit as EMA2 confirms 9, 994 Falls Creek, Swallowtail Street, Little Falls, Johannesburg as the registered office address as well as the residential address of Ms. Phiri

Johannesburg. This is the address of the Respondent's second director, Ms. Nokuthaba Paxentia Ngidi.⁴ From the Sheriff's return of non-service, it is indicated that the present occupier is Mrs. Xolisile Motshabi.

[10] In light of the above, I am satisfied that there has been substantial compliance of Regulation 142 of the Companies Regulations by the Applicant.

[11] The Respondent has not filed opposing papers or answering papers.

[12] As a result, the Applicant has brought an application for a default order in terms of Regulation 153(1) of the Companies Regulations. In terms of Regulation 153(1), if the Respondent has not filed a response within the prescribed period⁵, the Applicant may apply to have the order, as applied for, issued against the Respondent by the Tribunal.

[13] The Applicant attempted to file the application for a default order on the Respondent at its registered business address by the Sheriff on 17 May 2014. The application could not be served because the Respondent was unknown to the present occupier, Ms. Nkala.⁶

⁴ The registration certificate by the Companies and Intellectual Property Commission (the 'CIPC') and annexed to the supporting affidavit as EMA2 further confirms Ms. Ngidi's residential address as 15 Kenneth Road, Bramley, Johannesburg.

⁵ Twenty days as indicated in Regulation 143,

⁶ See Return of Non-Service. The return also shows that the Sheriff attempted several times, i.e. 14, 15 and 17 May 2014 to serve the application but the premises were locked and on each occasion left a note.

[14] Finally, Regulation 153(2)(b) of the Companies Regulations also states that the Tribunal may make an appropriate order, if it is satisfied that the notice or application was adequately served.

[15] In the circumstances, I am satisfied that the application for a default order by the Applicant was adequately served.

BACKGROUND

[16] In support of the Applicant's case, the Applicant submits, amongst others, as follows:

[16.1] The Applicant is the registered proprietor in South Africa of variant TIFFANY trademarks, which is valid and in force.⁷

[16.2] It is a luxury multinational jeweler and specialty retailer founded in 1837, whose merchandise include; an extensive selection of jewelry, timepieces, sterling silverware, china, crystal, stationary, fragrances, accessories, leather goods and sporting accessories.⁸

[16.3] Since the early twentieth century, the world has been enchanted with TIFFANY glamour. In the 1961 Hollywood classic "Breakfast at Tiffany's", Aubrey Hepburn personified TIFFANY

⁷ Paragraph 3 of the Supporting Affidavit

⁸ Paragraph 4.1 of the Supporting Affidavit

style. First ladies, tastemakers and renowned photographers have also turned to TIFFANY jewelry as the ultimate fashion accessory.⁹

[16.4] It has published its Blue Book catalogue since 1845 and this annual presentation of flawless craftsmanship heralds one of the most extensive and exquisite collections of couture jewelry on earth. These masterpieces are eagerly anticipated by the world's jewelry connoisseurs. On occasion, this has inspired third parties to attempt to trade on the goodwill created by TIFFANY's name and marks.¹⁰

[16.5] For over 170 years, TIFFANY has been an American institution and therefor all America's important moments TIFFANY designs have graced both the Congressional Medal of Honour and the dollar bill. United States Presidents have turned to the Applicant to create china for the White House, gifts for visiting dignitaries and jewelry for the First Lady.¹¹

[16.6] The TIFFANY trademarks have been extensively used in relation to goods and services for which the trademarks have been registered worldwide.¹²

⁹ Paragraph 4.2 of the Supporting Affidavit

¹⁰ Paragraph 4.3 of the Supporting Affidavit

¹¹ Paragraph 4.4 of the Supporting Affidavit

¹² Paragraph 5.1 of the Supporting Affidavit

[16.7] Since its adoption of the trademarks, the Applicant has continued to advertise and promote all its TIFFANY trademarks extensively.¹³

[16.8] Today, there are in excess of 275 TIFFANY retail outlets worldwide, which sell TIFFANY branded merchandise. The Applicant also offers online retail services over the Internet at its website www.tiffany.com¹⁴

[16.9]The Applicant is the registered proprietor of various TIFFANY trademarks in more than 125 countries and jurisdictions throughout the world.¹⁵

[16.10]As an enormously successful brand, the TIFFANY trademarks are widely advertised and promoted. Advertising and promotion of the TIFFANY brand takes place through various media advertising, product placement and the Internet.¹⁶

[16.11]In addition, the TIFFANY trademarks have been promoted worldwide by using internationally acclaimed celebrities to promote the brand. This form of advertising is a popular means of advertising global brands.¹⁷

¹³ Paragraph 5.2 of the Supporting Affidavit

¹⁴ Paragraph 5.3 of the Supporting Affidavit

¹⁵ Paragraph 5.4 of the Supporting Affidavit

¹⁶ Paragraph 5.5 of the Supporting Affidavit

¹⁷ Paragraph 5.6 of the Supporting Affidavit

[16.12]Articles referring to TIFFANY have appeared in Canada, Europe, Latin America, the Middle East and the Asia-Pacific region for many decades.¹⁸

[16.13]The Applicant and its TIFFANY trademarks are also promoted through the Internet and the TIFFANY website is continually updated with the latest information of the Applicant and its products and services.¹⁹

[16.14]In the United States, TIFFANY has been recognized as one of the most famous trademarks, to the extent that the well-known McCarthy treatise on trademarks, states that 'Famous marks like TIFFANY, POLAROID, ROLLS ROYCE and KODAK, have strong distinctive quality which is deserving of protection from the dilution'.²⁰

[16.15]As a consequence of TIFFANY clients substantial reputation and goodwill, the Applicant's TIFFANY trademark qualifies as a well known trademark in terms of Article 6 bis of the Paris Convention and is thus entitled to rely on the provisions of section 35 of the Trade Marks Act.²¹

¹⁸ Paragraph 5.7 of the Supporting Affidavit

¹⁹ Paragraph 5.8 of the Supporting Affidavit

²⁰ Paragraph 5.9 of the Supporting Affidavit

²¹ Paragraph 5.10 of the Supporting Affidavit

[17] The Respondent registered its company on 26 May 2012 and has been trading and advertising its business under the name of STYLE BY TIFFANY.²²

THE LAW

[18] The relief the Applicant seeks is in terms of section 160(1) of the Companies Act, which provides for the right to seek specific remedies in respect of disputes concerning reservation or registration of company names and the relevant parts of the section reads:

"... 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 satisfies the requirements of section 11."

[19] It is clear from this section that any person who has an interest in the name of the company can apply to the Tribunal for relief. This application has to be made in the prescribed manner and form to the Tribunal for a determination on whether the name satisfies the requirements of section 11 of the Companies Act.

²² See the Registration Certificate and Certificate of Incorporation issued by the Companies and Intellectual Property Commission on 26 March 2012

[20] Section 160(2) of the Companies Act sets out the prescribed manner and form and reads:

“An application in terms of subsection (1) may be made—

(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.”

[21] The powers for determination of the Tribunal are set out in section 160(3) of the Companies Act and reads:

“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 satisfies the requirements of section 11; and

(b) May make an administrative order directing—
(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."

[22] Section 11 of the Companies Act provides primarily for the protection against infringement of a registered company name or trademark and section 11(2) lays out the test or criteria for company names.

[22.1] Section 11(2)(a)(iii) provides that the name of a company should not be the same as, or confusingly similar to a registered trademark or a mark or a well-known trademark belonging to another person.

[22.2] Section 11(2)(b)(iii) provides that the name of a company must not be confusingly similar to a name, trademark, mark, word or expression contemplated in paragraph (a).

[22.3] Section 11(2)(c)(i) provides that the name of a company must 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.

EVALUATION

- [23] To determine under subsection 2(a), whether the Respondent's name is the same as the Applicant's trademarks, one will have to look at the prominent or dominant features of the Respondent's name.
- [24] In the present case, the word TIFFANY is the prominent and dominant feature. TIFFANY in the Respondent's name STYLE BY TIFFANY is exactly the same as TIFFANY in Applicant's name TIFFANY AND COMPANY and the TIFFANY trademark. There is however an obvious difference in the Respondent's name; namely, TIFFANY in the Respondent's name is followed STYLE BY, while TIFFANY precedes AND COMPANY in the Applicant's name. I am of the view that this difference renders the Respondent's name dissimilar from the Applicant's even though the words be it in a prefix or suffix are generic words.
- [25] The next step is to determine if the Respondent's name is confusingly similar to the Applicant's trademark. The Companies Act does not define or explain what is meant by "confusingly similar" in subsection 2(b). However, there has been several disputes in which elements or other instruments are said to be "confusingly similar" in trademarks as opposed to company names. For example, section 34(2)(g) of the Trade Marks Act 1994 of 1993 reads as follows:

"Infringement of registered trade mark.

(2) A registered trademark is not infringed by—

(g) The use of any identical or confusingly or deceptively similar trade mark which is registered...”

[26] “Similar” would be “having a marked resemblance or likeness” and that the offending mark (or name) should immediately bring to mind the well-known trademark (or other name).²³ As to the requirement for “confusingly” similar, the test, as in the case of passing-off, should be “...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 the light of the particular circumstances of the case”²⁴.

[27] In this regard, the Applicant in the **Century City Property Owners Association v Century City Apartments Property Services CC and Others**²⁵ case had a vested right in the name CENTURY CITY in that it was registered as its trademark. The court found that there was a reasonable likelihood that first respondent’s business name may confuse or deceive the public into believing that the first respondent’s

²³ Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA).

²⁴ 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.

²⁵ (17225/2005) [2008] ZAWCHC 63 (26 November 2008)

business is or is connected with applicant's business and that that confusion or deception will probably cause damage to applicants business.

[28] The Respondents name has a marked resemblance or likeness to the Applicants trademarks and that the offending name immediately brings to mind the well-known TIFFANY trademark.

[29] The same principles in respect of subsection (2)(b) would also apply in respect of subsection (2)(c)(i) because in this instance, apart from the requirement that the name must falsely imply, which, it is submitted, requires fault, it can, alternatively also "reasonably mislead a person to hold a certain belief".

[30] In the present dispute, the Respondent sells shoes, handbags, clothing and accessories to its consumers²⁶. These products are of a similar nature to the type of products that the Applicant sells. The Respondent has made use of the very trademark in respect of which Applicant has acquired a reputation and in which there is an intrinsic value. It seems that the Respondent was aware that the Applicant's name the Applicant is well-known throughout the world and in the South African market. The use of the word TIFFANY alone does not distinguish the services of Respondent from the services of the Applicant. By contrast,

²⁶ See paragraph 6.2 of the Supporting affidavit.

it implies that the business of Respondent suggests a very close connection to the business of Applicant.

[31] In my view, the use by the Respondent to the trademark TIFFANY is likely to cause deception or confusion among members of the public and its conduct therefore does amount to reasonably mislead a person to hold a certain belief that the two companies are associated. In summary, the respondent has infringed the distinctiveness of the trademark of applicant, that is the accessory right to the distinctive mark.

FINDINGS

[32] The name “STYLE BY TIFFANY (Pty) Ltd” is not the same as (identical to) “TIFFANY AND COMPANY” and therefore it cannot be a contravention of section 11(2)(a) of the Companies Act.

[33] STYLE BY TIFFANY (Pty) Ltd is however confusingly similar and further that if the two names are compared, it can properly be said that there is a reasonable likelihood of confusion if both names are to be used together in a normal and fair manner, in the ordinary course of business because of the use of the dominant word TIFFANY.

ORDER

I proceed to make an order in the following terms:

- a) The Respondent is directed to change its name to one, which does not incorporate and is not confusingly and/or deceptively similar to Applicant's trademarks.
- b) The Respondent should file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- c) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.
- d) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.
- e) Any other person with an interest in the name that is the subject of this application may, within twenty (20) business days after receiving the Notice of this Determination and Administrative Order, apply to a court to Review the Determination.

ADV LIZELLE HASKINS

MEMBER OF THE COMPANIES TRIBUNAL

DATED: 16 March 2015