**IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA**

**"The Tribunal"**

**Case Number: CT00125/ADJ/2019**

**In the matter between:**

**EXCLUSIVE BOOKS GROUP (PTY) LTD** **Applicant**

**AND**

**BOKAMOSO EXCLUSIVE BOOKS (PTY) LTD** **First Respondent**

(Registration Number: 2019/018606/07)

**COMMISSIONER OF THE COMPANIES** **Second Respond**

**AND INTELLECTUAL PROPERTY COMMISSION**

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**DECISION**

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**INTRODUCTION:**

**[1]** The Applicant is Exclusive Books Group (Pty) Ltd, a private company incorporated in accordance with the company laws of Soth Africa, with registration number 2013/142713/07, having its registered address at 21 West Street, Houghton, 2198.

**[2]** The first Respondent is Bokamoso Exclusive Books (Pty) Ltd, a private company registered in terms of the company laws of South Africa, with its registered address at 869 Mangaung Vilage, Witsiehoek, Witsiehoek, Free State, 9870.

**[3]** The second Respondent is the Commissioner of the Companies and Intellectual Property Commission (CIPC), appointed in terms of Section 189 of the Companies Act, cited in his capacity as the person responsible for the function of the Commission in terms of the Act.

**[4]** This is an application for a default order, in terms of S.160 of the Companies Act ("the Act"), read with Regulation 153, that the first Respondent (Pty) Ltd, does not satisfy the requirements of Section 11 of the Act, and that the first Respondent be directed to choose a new name as provided for in section 160(3)(b)(ii) of the Act.

**Submissions by Applicant**

**[5]** The Applicant deposed to an affidavit as required by Regulation 142[1], and has furnished proof of service of this application on the first Respondent at its registered address. Despite the service, the first Respondent did not respond to the application by filing an answering affidavit within the stipulated 20-

[1] (1) A person may apply to the Tribunal for an order in respect of any matter contemplated by the Act, or these Regulations, by completing and filing with the Tribunal's recording officer-
(a) an application in Form CTR 142; and
(b) a supporting affidavit setting out the facts on which the application is based.
(2) The applicant must serve a copy of the application and affidavit on each respondent named in the application, within 5 business days after filing it.

day period, as required in terms of Regulation 143[2] of the Companies Act. Consequently, the applicant has filed this application for a default order in terms of Regulation 153[3].

**[6]** The Applicant is the proprietor in South Africa of the EXCLUSIVE BOOKS trade marks and the EB EXCLUSIVE BOOKS logo. The Applicant was founded in 1951 as a second hand bookshop in King George Street, Johannesburg. In 1999, the Applicant moved from only selling books to creating a lifestyle-oriented experience. Over the years, the Applicant has grown significantly to become the largest bookstore brand in South Africa, with stores in six (6) of the the nine provinces in the country.

**[7]** The Applicant has positioned itself as a shared cultural touchpoint with personality and authority made possible through passion and undying love of literature. The Applicant has further spent a considerable amount of time, money and effort in advertising and promoting its EXCLUSIVE BOOKS trade mark, its goods and services. The reputation and goodwill attached to the Exclusive Books trade mark is an asset of considerable commercial value and importance to the Applicant. The Applicant submits that any unauthorzed use of such trade mark, or

[2] Wihtin 20 business days after being served with a complaint referral, or an application, that has been filed with the Tribunal, a respondent who wishes to oppose the complaint of application must-

(a) Serve a copy of an Answer on the initiating party; and
(b) File the Answer with proof of service.

[3] (1) If a person served with an initiating document has not filed a responde within the prescribed period, the initiating party may apply to have the order, as applied for, issued against that person by the Tribunal.

confusingly similar or deceptively similar trade marks, is detrimental to the asset and business of the Applicant.

**[8]** The existence of the first Respondent, Bokamoso Exclusive Books (Pty) Ltd, came to the Applicant's attention on 20 February 2019, when its attorneys reported the existence of the first Respondent's company name. The Applicant instructed its attorneys to address a letter of demand to the first Respondent and calling the first Respondent to voluntarily apply to the CIPC to have its name changed to a name that does not incorporate or is not confusingly similar to the Applicant's regsietered EXCLUSIVE BOOKS trade mark. No response was received from the first Respondent. Various other attempts were made to get into contact with the first Respondent, without success, until the service of this application.

**[9]** The Applicant therefore requests the Tribunal to grant an order directing that the respondent must change its name Bokamoso Exclusive Books (Pty) Ltd, to a name that does not incorporate the EXCLUSIVE BOOKS trade mark, or any other trade mark, which is confusingly and/or deceptively similar to the applicant's EXCLUSIVE BOOKS trade mark.

**Application of the Law**

**[10]** This is an application in terms of S.160 read with S.11 (2)(b)and/or 11(2)(c)(i) of the Companies Act. The applicant seeks relief in terms of Section 160(3)(b)(ii) of the Act. S.160(1) provides:

*" 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 (s11)."*

**[11]** Section 160 (2)(b) which is relevant to this case, provides that an application in terms of subsection 1 above, may be made on good cause shown at any time after the date of reservation or registration of the name that is the subject of the application, in any other case.

**[12]** Section 160(3) provides for the powers of the Tribunal where subsections (1) and (2) have been satisfied. It provides as follows:

*"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 (s.11); and*

*(b) May make an administrative order directing-*

*(i) The Commission to-*

*(cc) cancel the reservation of a name, or the registration of a defensive name.*

*(ii) a company to choose a new name, and 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."*

**[13]** The Tribunal is therefore tasked with considering this application and satisfying itself that it complies with the requirements of s. 11 (2) which provides:

*The name of a company must-*

*(b) not be confusingly similar to a name, trade 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)* *....*

*(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.*

*(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.*

**Evaluation**

**[14]** The Tribunal is satisfied that good cause has been established.

**[15]** The Applicant has provided the significant investment it has made to build its EXCLUSIVE BOOKS brand and ensure that it is a well-known brand in South Africa. It is a widely recognized brand in book sales, leisure and lifestyle industry. Any confusion created by the existence of a confusingly similar name can have significant negative financial and reputational implications on the Applicant, its brand and its goodwill.

**[16]** I agree with the submission made by the Applicant's representative and its legal representatives that the first Respondent's name BOKAMOSO EXCLUSIVE BOOKS has a marked resemblance or likeness to the EXCLUSIVE BOOKS trade mark, and is likely to confuse members of the public into thinking that the first respondent's name is associated with the EXCLUSIVE BOOKS brand and trade mark. It brings to mind the Applicant's trade mark and is thus undesirable. There seems to be no effect made by the insertion of the name BOKAMOSO, as the immediate use of EXCLUSIVE BOOKS thereafter triggers the similarity to the well-known EXCLUSIVE BOOKS trade mark and brand. I therefore agree that the use of the word BOKAMOSO amounts to an insignificant difference and is dominated and overshadowed by the immediate use of EXCLUSIVE BOOKS thereafter.

**[17]** The Applicant argues and submits that the likelihood of confusion is exacerbated by the fact that the word "BOKAMOSO" means "future" in Setswana, Sepedi and Sesotho, and further that Bokamoso is a geographical indicator as it is a town in the North west Province. This analysis leads to the assumption that members of the public may be led to believe or assume that the first Respondent is one of the Applicant's Corporate Social Responsibility initiatives, or that it is one of the Applicant's provincial branches, which is not the case.

**FINDINGS**

**[18]** The name Bokamoso Exclusive Books (Pty) Ltd is confusingly similar to the Applicant's EXCLUSIVE BOOKS trade mark, and is likely to mislead or deceive the public into thinking that Bokamoso Exclusive Books (Pty) Ltd is part of or associated with the EXCLUSIVE BOOKS trade mark, brand and Excusive Books Group (Pty) Ltd.

**[19]** The Respondent's name consequently does not satisfy the requirements of the Companies Act.

**ORDER:**

It is therefore ordered that:

- the first Respondent is directed to choose a new name which does not consist of, or incorporate the EXCLUSIVE BOOKS trade mark, or any other mark which is confusingly and/or deceptively similar to the Applicant's EXCLUSIVE BOOKS trade mark.
- the first Respondent file with the (CIPC), a notice of amendment of its Memorandum of Incorporation within 60 days from date of this order.

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B. Zulu

30 October 2019