IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA, PRETORIA

CASE NO: CT00787ADJ2021

In the matter between:

D.H. BROTHERS INDUSTRIES (PTY) LTD
(2019/262745/07) **APPLICANT**

AND

WILLOWTON G SA (PTY) LTD
(2020/096278/07) **FIRST RESPONDENT**

AND

COMMISSIONER OF THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC) **SECOND RESPONDENT**

Coram: Tootla K.

Decision handed down on: 5 January 2022

DECISION

INTRODUCTION:

[1] The Applicant applies in terms of section 160 of the Companies Act 71 of 2008 ("Act") and Regulations 143 and 153 of the Companies Act (GNR 351 of 265 April 2011) ("Regulations") for a default order that the First Respondent respectively be ordered to change its name, **WILLOWTON G SA (PTY) LTD**, because it does not comply with section 11(2) (b) and (c) of the Companies Act.

[2] The Applicant is **D.H. BROTHERS INDUSTRIES (PTY) LTD,** a company incorporated in accordance with the Company Laws of the Republic of SA in terms of the Act, having its principal place of business at 266 Orthmann Road, Pietermaritzburg.

[3] The First Respondent is **WILLOWTON G SA (PTY) LTD,** incorporated in terms of the Act with registration number 2020/096278/07, having its registered address at 45 Berkley Road, Cape Town.

[4] The Second Respondent is CIPC, cited in its official capacity and appointed in terms of Section 189 of the Act.

ISSUES:

[7] The Applicant is the registered proprietor of the trademarks "WILLOWTON", all containing the word "WILLOWTON", in class 3 ; 9 ; 29;30; 35, 36 and 39 respectively in terms of the Trade Marks Act No. 194 of 1993 registered since 2003 and 2016 as applicable in terms of the Trade Mark register.

[8] The Applicant became aware that the First Respondent's company is registered with a name that contains the word "WILLOWTON" prior to December 2020.

[9] The Applicant filed an objection to the use of the words "WILLOWTON" incorporated in the name of the First Respondent with the Companies Tribunal on form CTR 142 as prescribed by regulation 142 (1) (a), together with a supporting affidavit by Mr. Moosa, the Chief Commercial Officer of the Applicant, who was duly authorised by virtue of a board resolution.

[10] The copy of the application was served on both the First and Second Respondents via email within 5 days of filing it with the Companies Tribunal as required by Regulation 142 (2).

The applicant served a copy of the CTR 142 application as filed with the Tribunal on the First Respondent via email on 12 August 2021 in accordance with Reg 7(2) and Table CR 3.

[11] There was no response from both Respondents and the First Respondent is in default.

[12] In view of the fact that the First and Second Respondent had until 9 September 2021 to file and serve their answer to the Applicant's application, and no response has been received by that date, nor have they filed opposing papers with the Tribunal, the Applicant proceeded under cover of form CTR 145 to request default judgment against the Respondents, to direct the First Respondent to choose names which do not consist of or incorporate a mark which is confusingly similar or deceptively similar to the Applicant's WILLOWTON trademark.

[13] Applicant states that it and the companies that work in the WILLOWTON group are permitted to use the WILLOWTON trademark under license from the WILLOWTON (PTY) LTD holding group. Applicant claims statutory and common law rights in the word WILLOWTON; widespread and extensive use thereof nationally as well elsewhere; has conducted business since the 1980's which has substantial goodwill and reputation and is a subsidiary of the WILLOWTON GROUP of companies which utilises the trade mark WILLOWTON.

[14] The Applicant contends that it has spent a considerable amount of time, money and effort in advertising, marketing and promoting the WILLOWTON name and trademark in S.Africa over a few decades. Applicant contends that its rights in its registered trademarks gives it the right to prevent others from using it in the course of trade, especially in relation to goods similar or identical to its goods as it would lead to a likelihood of confusion and /or deception arising.

[15] Applicant also contends that the main and prominent feature of the First Respondent's company name is the word "WILLOWTON" which incorporates the 'WILLOWTON' trademark and that it is confusingly similar to the Applicant's well- known trademark 'WILLOWTON'.

The reference to "G" and "SA" incorporated in the name of the First Respondents respectively is descriptive and does not serve to distinguish the parties' names and may be perceived as a variation of the Applicant's business. It is contended also that the mark WILLOWTON in their names draws immediate association with the Applicant which may likely deceive the public into believing that there exists a connection between the Applicant and First Respondent, when in fact no such connection exists.

[16] Since the Applicant has no control over the quality of the products or services, Applicant contends that the First Respondent's name is therefore confusingly and deceptively similar to the Applicants' registered trademark WILLOWTON and is in contravention of Section 11(2)(b) and (c) of the Act.

APPLICABLE LAW

[17] Section 11 (2) of the Act, in so far as it is relevant, provides:

"(2) The name of a company must—

(a) not be the same as—

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

(ii) a name registered for the use of a person, other than the company itself or a person controlling the company, as a defensive name in terms of section 12 (9), as a business name in terms of the Business Names Act, 1960 (Act No. 27 of 1960), unless the registered user of that defensive name or business name has executed the necessary documents to transfer the registration in favour of the company;

(iii) a registered trade mark belonging to a person other than the company, or a mark in respect of which an application has been filed in the Republic for registration as a trade mark or a well-known trade mark as contemplated in section 35 of the Trade Marks Act, 1993 (Act No. 194 of 1993), unless the registered owner of that mark has consented in writing to the use of the mark as the name of the company; or

(iv) a mark, word or expression the use of which is restricted or protected in terms of the Merchandise Marks Act, 1941 (Act No. 17 of 1941), except to the extent permitted by or in terms of that Act;

(b) not be confusingly similar to a name, trade mark, mark, word or expression contemplated in paragraph *(a)* unless…"

(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:

[18] In terms of Section 160(2) (b) any person may at any time bring an application on good cause shown. According to the dictum of Twala, J. in the Highly Nutritious Food Company (Pty) Ltd vs Companies Tribunal and Others (GLD) Case No. 91718/2016, it was held that Section 160 (2)(b) does not refer only to the delay in bringing the application but also to show good cause as to why the application must be entertained; but that the Applicant must furnish a reasonable explanation as to why the application should be entertained on its merits by the Tribunal; as well as a reasonable explanation for the delay in bringing the application.

The Applicant albeit the delay of more than a year after it sent letters of demand has given a reasonable explanation and has justified the merits as to why the application should be entertained after more than a year.

[19] Although section 160 of the Act is there to protect the interests of companies registered and their creditors, the email from Foufou Debaso indicates that the First Respondent was not in operation and was in the process of deregistration.

[20] I now deal with the merits of the matter and issue of the trademarks. The Applicant is of the view that the use of the WILLOWTON trademark by the First Respondent amounts to an infringement in terms of Section 34. However, if one examines Section 11 (2) (a) (iii) it is clear that it refers to a well- known trade mark as contemplated in Section 35 of the Trade Marks Act 1993. The Applicant has however mentioned and explained that its trademarks are well – known but has not referred to Section 11(2) (a) (iii) in justifying its claim.

[21] It is important to point out that unlike section 35 of the Trade Marks Act (which is descriptive of a well-known trade mark and does not raise a separate cause of action in terms of the Act) that has been incorporated by reference to section 11 of the Act, section 34(1) (a), (b) or (c) of the Trade Marks Act has not been incorporated by reference into the Act and does not constitute a part of the Act. An allegation of an infringement of a registered trade mark in terms of section 34(1) of the Trade Marks Act, therefore, constitutes a separate cause of action.

[22] Section 34(3) of the Trade Marks Act provides further that where a trade mark registered in terms of the Trade Marks Act has been infringed, any High Court having jurisdiction may grant the proprietor relief. The Tribunal, accordingly, does not have the jurisdiction to make a finding that there has been an infringement of a registered trade mark in terms of section 34(1) of the Trade Marks Act.

[23] However, and since the Applicant has made a lengthy explanation for the well -known use of the WILLOWTON trademark for a lengthy period of time, it has made out a case within the context of Section 35 of the Trade Marks Act for protection within the context of Section 11 (2) (a) (iii) of the Act.

[24] Thus crucial question is whether "WILLOWTON" as in the name of the First Respondent is in contravention of sections 11(2)(b)(iii) and (c)(i) of the Act as contended by the Applicant. The WILLOWTON word mentioned in the First Respondent's name is 'confusingly similar to' the registered trademarks of WILLOWTON as listed above, where it would reasonably mislead a person to believe incorrectly, that the First Respondent is part of, or associated with, the Applicant.

[25] However, "similar" as in section 11 (2) (b) 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): *Bata Ltd v Face Fashions CC* 2001 (1) SA 844 (SCA). 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.

[26] The First Respondent came into existence in 2020 and the use of "WILLOWTON" by the First Respondent is the first and dominant part of its name, the only other letters added to the name is 'G'and 'SA' respectively, which does not distinguish its name from that of the Applicant's trademark. On the contrary, it indicates that it is part of a group and is associated with other companies in the WILLOWTON Group. First Respondents' company is the word 'WILLOWTON ' which indicates that the additional word ' G 'or "SA' will not distinguish the First Respondents' name from that of the Applicant, which could also easily imply that the First Respondent is a subsidiary of the Applicant or a part of the WILLOWTON Group of companies.

[27] The question is therefore whether the names are alike in a manner that will confuse the reasonable person, being the "ordinary reasonable careful man, i.e. not the very careful man nor the very careless man" (*Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd* 1979 (2) SA 276 (E); *Peregrine Group (Pty) Ltd v Peregrine Holdings Ltd* 2001 (3) SA 1268 (SCA); *Azisa (Pty) Ltd v Azisa Media CC and Another* [2002] 2 All SA 488 (C); *Adidas AG & another v Pepkor Retail Limited* (187/12) [2013] ZASCA 3 (28 February 2013).

[28] In *Azisa (Pty) Ltd v Azisa Media CC and Another* [2002] 2 All SA 488 (C), the Court found that the use of the name "Azisa Media CC" in respect of an existing name 'Azisa" is not undesirable, but that the word "Azisa" alone would in all likelihood lead to inconvenience and confusion amongst the customers.

[29] Thus on the basis of the test for similarity (confusion) above and the *Azisa (Pty) Ltd* case *supra*, the reasonable person will be confused and Section 11(2) (b) will be applicable as the Applicant has shown that the name of the First Respondent is confusingly similar to the name of the Applicant except for the use of the letters "G" and 'SA".

[30] "Confusingly similar" requires that the names are as alike in a manner that will confuse the reasonable person, being the "ordinary reasonable careful man, i.e. not the very careful man nor the very careless man" (Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd 1979 (2) SA 276 (E); Peregrine Group (Pty) Ltd v Peregrine Holdings Ltd 2001 (3) SA 1268 (SCA); Azisa (Pty) Ltd v Azisa Media CC and Another [2002] 2 All SA 488 (C); Adidas AG & another v Pepkor Retail Limited (187/12) [2013] ZASCA 3 (28 February 2013). [12] It is clear that the ordinary reasonable careful person will be confused. The ordinary reasonable careful person will be confused as in the Peregrine and Azisa cases above.

[31] It is also clear that by merely looking at or hearing the two names simultaneously or consecutively; and when the two names are to be used in the normal and fair manner in the course of business, the name of the First Respondent is confusingly similar to the Applicant's name in terms of Section 11 (2)(b) and in terms of Section 11 (2)(c)(i) it will falsely imply, suggest or reasonably mislead a person to believe incorrectly that the First Respondent is part of , or associated with the Applicants whilst that is not the case.

[32] 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.": *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.

[33] The requirements to "reasonably believe", should be the same as discussed in *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. In Ewing t/a The Buttercup Diary Co v Buttercup Margarine Co-operation Ltd 1917 (34) R.P.C 232 as quoted by Wester and Page, para 19, Warrington J pointed out that it is sufficient if the Plaintiff can show that use by the Defendant is likely to result in the belief that the business of the defendant is a branch of the plaintiff's business or is some way associated or connected with it.

[34] The Applicant has clearly demonstrated in its papers that it had substantively and significantly used the "WILLOWTON" trademark more particularly in the Republic of South Africa. As a result of the aforementioned use, the particular combination of the "WILLOWON" letters has become a household brand in the production of sunflower oil etc. and therefore qualifies as a well-known trade mark as set out in the Trade Marks Act. I am satisfied that the Applicant has established the ownership rights in the "WILLOWTON" trademarks and further that it is registered to act as the legal owner of the "WILLOWTON " trademarks.

[35] The name of the First Respondent is therefore confusingly similar to the name or trademark of the Applicant, which is "WILLOWTON'. As a matter of fact the name of the First Respondent is clearly confusingly similar to the trademark of the Applicant, and the First Respondent is therefore in contravention of section 11(2) (b) (iii) of the Act.

[36] An enquiry in terms of section 11(2) (c) (i) therefore requires me to determine as to whether the name of the First Respondent falsely implies or suggests that the First and Second Respondent companies are part of or associated with any other person or entity; or be such that the name would reasonably mislead a person to believe that the companies are part of or associated with any other person or entity.

[37] The same principles as in respect of section 11 (2) (b) (iii) would also apply in respect of section (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. The requirements to "reasonably believe", should be the same as in *Adidas AG & another v Pepkor Retail Limited* case *supra*; *Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others* case *supra*.

[38] In this case, using the name "WILLOWTON G SA" would reasonably mislead a person to believe that the company is associated with "WILLOWTON' as WILLOWTON is a well-known trademark and that it falsely implies or suggests the First Respondent is part of or associated with the Applicant Company. The remaining portion of the name increases the confusion given that the applicant's business activities are unrestricted.

[39] The name of the Respondent is in contravention of section 11 (2) (a) (iii) and Section 11(2) (b) (iii) and Section 11(2) (c) (i) of the Companies Act.

ORDER:

[40] The First Respondent is directed to change its name to one which does not incorporate and is not confusingly and/ or deceptively similar to Applicants' trade mark 'WILLOWTON".

[41] The First Respondent is directed to file a Notice of amendment of its Memorandum of Incorporation with the Respondent within 30 days from the date of this order.

[42] In the event that the First Respondent fails to amend its name within the 30 period, the CIPC is directed in terms of Section 160 (3)(b)(ii) read with Section 14(2) of the Act to remove the First Respondents name and substitute it with its registration number on the CIPC company register.

[43] A copy of this order is to be served on the CIPC for them to ensure the aforementioned is done.

[44] A copy of this order is to be served by the Applicant on the email of the First Respondent and on the registered or principal place of business of the First Respondent via registered post.

[45] The application is granted with no order of costs against the First Respondent as the matter has not been opposed.

k.tootla

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Khatija Tootla

(Member of the Companies Tribunal)

5 January 2022