COMPANIES TRIBUNAL OF SOUTH AFRICA

Case Number: CT026OCT2018

In the matter between:

GROWTHPOINT PROPERTIES LIMITED **APPLICANT**

(Registration Number: 1987/004988/06)

and

THE COMMISSIONER OF COMPANIES & **FIRST RESPONDENT**
AND INTELLECTUAL PROPERTY COMMISSION

GROWTH POINT MEDIA AND EVENTS **SECOND RESPONDENT**
(PTY) LTD (Registration Number: 2016/408423/07)

in respect of objection to company name

Presiding Member	:	Khashane La M. Manamela (Mr.)
Date of Decision	:	29 March 2019

DECISION (Order and Reasons)

Khashane La M. Manamela

Introduction

[1] The applicant is a public company, listed on the Johannesburg Stock Exchange with interests in South Africa and Australia. It is also the proprietor of the trade marks "GROWTHPOINT" and "GROWTHPOINT PROPERTIES" in classes 35 and 36 involving, among others, "[a]dvertising and business services of all kinds and descriptions …; mobile commerce services …; public relations …; distribution and merchandising services"; "insurance, assurance, reinsurance and consultancy services of all kinds…; provisions of financial reports and analysis all relating to risk management …; asset acquisition and disposal services of all kinds and descriptions".[1] The applicant is complaining that the second respondent's name, GROWTH POINT MEDIA AND EVENTS, or part of the second respondent's name does not satisfy the requirements of sections 11(2)(a)(i); 11(2)(a)(ii); 11(2)(a)(iii); 11(2)(b)(i) and 11(2)(c)(i)[2] of the Companies Act 71 2008 (the Companies Act) when considered in relation to its trade marks.

[2] The first and second respondents are not participating in these proceedings. With regard to the first respondent, there is clearly no proof at all that the first respondent was served with this application. However, the applicant seeks no relief against the first respondent.[3] Due to this reason and the view I take on the matter, I will, despite this shortcoming, proceed to deal with the merits of this application. I will also direct that the order made be served on the first respondent. In as far as the second respondent is concerned, not much is revealed by the papers, particularly regarding the nature and

[1] See par 15 of the supporting affidavit on indexed pp 17-19; annexure "RK6" on indexed pp 73-87.
[2] See par 5 below, for a reading of the material part of section 11(2).
[3] See par 6 of the supporting affidavit on indexed 15.

extent of the second respondent's business.[4] In fact, all information regarding the second respondent is limited to the company report[5] and disclosure certificate (the latter issued by the first respondent),[6] included as part of the applicant's supporting affidavit. According to these documents the second respondent was registered less than three years ago, on 21 September 2016 and, as with all companies under the dispensation of the Companies Act, the second respondent's business activities are not restricted.

[3] Effectively, the application before me is an application for default order as contemplated by regulation 153 of the Companies Regulations, 2011.[7] I have already mentioned above that the second respondent did not file an answer as required by regulation 143[8] to participate in these proceedings. In terms of the sheriff's return of service, the application was served upon a certain Mr W Khumalo (who is indicated as the present occupier) at the second respondent's registered office address.[9] I am satisfied that this application was adequately served.[10] I turn next to the submissions by the applicant in support of its case that the second respondent's name does not satisfy the requirements of the Companies Act.

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[4] It is actually submitted by the applicant that it has investigated the business activities and operations of the second respondent with no tangible results. See par 23 of the affidavit in support of the application for default order on indexed p 6.
[5] See indexed pp 59-62.
[6] See annexure "LM2" on indexed p 9.
[7] Regulation 153 reads in the material part: "(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) On an application in terms of sub-regulation (1), the Tribunal may make an appropriate order - (a) …; and (b) if it is satisfied that the notice or application was adequately served. (3) Upon an order being made in terms of sub-regulation (2), the recording officer must serve the order on the person described in subsection (1) and on every other party."
[8] Regulation 143 reads in the material part: "(1) Within 20 business days after being served with … an application, that has been filed with the Tribunal, a respondent who wishes to oppose the … application must – (a) serve a copy of an Answer on the initiating party; and (b) file the Answer with proof of service."
[9] See annexure "LM4" on indexed p 93.
[10] See regulation 153(2)(b) of the Companies Regulations, quoted in footnote 7, above.

Applicant's case

[4] The applicant has reportedly become aware of the existence of the second respondent when it was alerted to it by its attorneys on 22 February 2018. This was after the attorneys had conducted a cursory search of the records or name register of the first respondent. The applicant, thereafter, directed its attorneys to send a letter of demand to the second respondent for the latter to cease and desist with the use of the impugned name. This was done on 12 March 2018,[11] but with no evident reaction by the second respondent.

[5] The crisp issue to be determined in this matter is located in the provisions of section 11(2) of the Companies Act, which read in the material part:

> "(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), or 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 trademark 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 -
> (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;

[11] See par 12 on indexed p 16; annexure "RK5" on indexed pp 63-68.

> (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 authorised 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;
> (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 …"

[6] The complaint by the applicant is that the second respondent's name "GROWTH POINT MEDIA AND EVENTS" or the words "GROWTH POINT" in the second respondent's name, infringe(s) upon its trade marks "GROWTHPOINT" and "GROWTHPOINT PROPERTIES". I deem it apposite to reflect the applicant's submissions in this regard:

> "The Applicant is the registered owner of the following trade marks <u>which are valid and in force,</u> collectively referred to as GROWTHPOINT trade marks …"[12]

[underlining added for emphasis]

[7] There is also what I, with respect, consider tentative submissions that the applicant's trade marks constitute "well-known trademarks" as contemplated in section

[12] See par 15.1 of the supporting affidavit on indexed p 17.

35 of the Trade Marks Act 194 of 1993.[13] I again refer to the material part of the applicant's submissions in this regard:

> "As a result of the Applicant's substantive and significant use of the GROWTHPOINT trade marks and company names across the world, particularly in South Africa, GROWTHPOINT has become a household brand in the real estate, property, finance, consultancy and other related industries. Consequently, GROWTHPOINT qualifies as a well-known trade mark as set out in the Trade Marks Act 194 of 1993…"[14]

[8] Further, there is also with respect a somewhat subtle reliance on the fact that the second respondent's name breaches the applicant's registered company name (as reflected above) and other registered company names belonging to the applicant, like Growthpoint Management Services; Growthpoint Properties International and Growthpoint Building Managers.[15]

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[13] Section 35 of the Trade Marks Act 194 of 1993 reads in the material part, including its caption: "**35. Protection of well-known marks under Paris Convention.** (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well known trade mark, are to a mark which is well known in the Republic as being the mark of— (a) a person who is a national of a convention country; or (b) a person who is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country, whether or not such person carries on business, or has any goodwill, in the Republic. (1A) In determining for the purposes of subsection (1) whether a trade mark is well-known in the Republic, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark. (2) A reference in this Act to the proprietor of such a mark shall be construed accordingly. (3) The proprietor of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark is entitled to restrain the use in the Republic of a trade mark which constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of the well-known trade mark in relation to goods or services which are identical or similar to the goods or services in respect of which the trade mark is well known and where the use is likely to cause deception or confusion."

[14] See par 17 of the supporting affidavit on indexed p 19.

[15] See par 39.7 of the supporting affidavit on indexed p 26.

Analysis of the applicant's case

[9] From the above, it is clear that the applicant's objection to the registration or use of the second respondent's name is primarily based on the fact that the second respondent's name is confusingly similar to its trade marks and falsely implies or suggests or is such as would reasonably mislead a person to believe incorrectly that the second respondent is part of or associated with the applicant.

[10] But the applicant's trade marks, despite its submissions to the contrary, are not in force. The trade marks were in force up to August and October 2017. No submissions are made in the application as to whether the trade marks were renewed or the reason why they are said to still be in force beyond the aforementioned dates, so as to predicate an application in terms of section 11(2) of the Companies Act. For the aforementioned reasons, I hold that there is no breach of the applicant's trade marks by the second respondent.

[11] I now turn to the issue of the applicant's trade marks constituting well-known trade marks, as contemplated by section 35 of the Trade Marks Act.[16] This provision requires that in "determining …whether a trade mark is well-known in the Republic, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark".[17] Save for the frugal submissions reflected above,[18] no submissions are made in support of the assertion that the applicant's trade marks are well-known trade

[16] See footnote 13 above for a reading of section 35 of the Trade Marks Act.
[17] See section 35(1A) of the Trade Marks Act.
[18] See par 7 above.

marks. Therefore, I am unpersuaded that the applicant's trade marks are to be considered as well-known trademarks for purposes of this application.

[12] This then leaves only the submissions which, as stated above, I consider to have been only subtle on the part of the applicant: that the respondent's company name is confusingly similar to the applicant's name, apart from its confusing similarity to other applicant's registered company names.[19] I considered, in this regard, the submissions made on behalf of the applicant, albeit mainly in support of its case that the respondent's name breaches its trade marks. The submissions are equally applicable to case that the respondent's name does not satisfy the requirements of the Companies Act in respect of the applicant's registered company name.[20] Without much ado, I express my agreement with these submissions or view.

[13] The second respondent's name is clearly confusingly similar to the applicant's registered company name and the inclusion of the words "MEDIA AND EVENTS" does not sufficiently distinguish the second respondent's name from the applicant's. The dominant part of the second respondent's name is "GROWTH POINT", which, save for the space between the two words in the second respondent's name is exactly the same as in the applicant's name.

[19] See par 8 above.
[20] See annexure "RK3" on indexed pp 31-58, being a disclosure certificate issued by the Companies and Intellectual Property Commission in respect of the registration of the applicant.

Conclusion (and costs)

[14] As the corollary of my finding that that the second respondent's name is confusingly similar to the applicant's company name, I will direct that the second respondent choose a new name and accordingly file a notice of amendment to its Memorandum of Incorporation.

[15] However, this Tribunal was also requested to make an order catering for the likelihood that the second respondent may not comply with the order made. The applicant prays for an order that the first respondent be directed to replace the second respondent's name with its registration number, in the event that, the latter does not give effect to the order made herein. It is my respectful view that this Tribunal lacks such jurisdiction or capacity to make a determination of the sort required by the applicant.[21] Be that as it may, even if such order was statutorily feasible, absent service of the application of the first respondent, this Tribunal, is in any way hamstrung to make an order against the first respondent in an application where the latter did not receive notice.

[16] This then leaves the issue of costs of the application. Costs orders are possible in this Tribunal in terms of regulation 156 of the Companies Regulations.[22]The applicant prays that the second respondent be ordered to bear the costs of this application. I hold the respectful view that the second respondent does not appear to have been motivated by any *mala fides* or deliberate disregard of the applicant's rights with regard to its trade

[21] See, among others, the decision of *Agility Holdings (RF) (Pty) Ltd v Neo Computers (Pty) Ltd* under case/file number: CT008FEB2018, dated 30 April 2018 at par [20].
[22] See regulation 156(1) of the Companies Regulations which reads: "Upon making an order, the Tribunal may make an order for costs."

marks and company name. Further, the statutory regime as contained in the Companies Act is such that the first respondent ought to have taken measures stipulated in section 12[23] to alert third parties like the applicant of the existence of the second respondent's name, from the moment the second respondent's name was reserved for registration, which (if done) would obviously have obviated the current application. I have dealt with these issues extensively elsewhere, but there appears to have been no progress in this regard on the part of the first respondent.[24] Therefore, there will be no order as to costs against the second respondent.

Order

[17] Therefore, the following order is made:

a) the second respondent's registered company name "**GROWTH POINT MEDIA AND EVENTS**" does not satisfy the requirements of section 11(2)(b)(i) of the Companies Act 71 of 2008;

b) the second respondent is directed to choose a new name and file a notice of amendment to its Memorandum of Incorporation;

[23] Section 12 reads as follows in the material part: "(2) The Commission must reserve each name as applied for in the name of the applicant, unless - (a) the applicant is prohibited, in terms of section 11(2)(a), from using the name as applied for; or (b) the name as applied for is already reserved in terms of this section. (3) If, upon reserving a name in terms of subsection (2), there are reasonable grounds for considering that the name may be inconsistent with the requirements of- (a) section 11(2)(b) or (c)- (i) the Commission, by written notice, may require the applicant to serve a copy of the application and name reservation on any particular person, or class of persons, named in the notice, on the grounds that the person or persons may have an interest in the use of the name that has been reserved for the applicant; and (ii) any person to whom a notice is required to be given in terms of subparagraph (i) may apply to the Companies Tribunal for a determination and order in terms of section 160…" [underlining added for emphasis.

[24] See, among others, the decisions of Anne Francoise Du Preez v Commissioner of The Companies And Intellectual Property Commission, Case/File Number: CT017Jul2018 dated 31 October 2018; *Mpho Leaderman Ramafalo v CIPC*, case number: CT005MAR2018, dated 29 June 2018; *R V Handfiled- Jones v CIPC*, case number: CT007FEB2014, dated 31 October 2014.

c) the second respondent is directed to complete the activities ordered in b) hereof within three (3) months of service of this order upon the second respondent in terms of regulation 153(3) of the Companies Regulations, 2011, and

d) the registrar or recording officer of the Companies Tribunal is requested to send a copy of this order to the Companies and Intellectual Property Commission, the first applicant herein within 15 business days from date of this order.

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Khashane La M. Manamela

Member, Companies Tribunal

29 March 2019