

IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case No: CT003NOV2014

In the matter between:

DOLCE & GABBANA TRADEMARKS S.R.L

APPLICANT

And

DOLCE AND GABBANA (PTY) LTD

RESPONDENT

Presiding Member of the Tribunal: Kasturi Moodaliyar

Date of Decision: 23 March 2015

DECISION (Reasons and Order)

INTRODUCTION

[1] This application is in terms of section 160 of the Companies Act 71 of 2008 (the "Act"). The Applicant requests an order directing the Respondent to change its name because it does not comply with section 11 of the Companies Act.

BACKGROUND

[2] The Applicant is Dolce & Gabbana Trademarks S.R.L, a company incorporated in terms of the Act. The Applicant is also a company registered in terms of the company laws of Italy, with its registered address at 10 Via Goldoni, 20129, Milan, Italy.

[3] The Respondent is Dolce & Gabbana (Pty) Ltd., a company incorporated in terms of the company laws of South Africa, under registration number 2013/025169/07, with registered address at 5784 Nomzamo Location, Queenstown, Eastern Cape.

SERVICE

[4] A copy of the application must be served on the Respondent at its registered address within 5 days of filing it with the Companies Tribunal as required by regulation 142(2).

[5] The copy of the application was properly served on the Respondent by the Sherriff of Queenstown on 14 November 2014, who indicates that it was served on the Respondent at the given address to Voyokazi Stemela, a representative of the respondent who is “apparently not under 16 years of age, and apparently employed at the defendant company”. This service is in accordance with Rule 4 (1)(a)(v) of the High Court Rules.

[6] No response was received from the Respondent and the Applicant therefore applies on FORM CTR 145 for a default order in terms of regulation 153.

[7] The application was properly served by the Sherriff of Queenstown on the Respondent’s principle place of business. I am consequently satisfied that the Respondent’s lack of participation in these proceedings is not due to the lack of service or knowledge of the process and that this application is unopposed.

ISSUES

[8] The Applicant is the registered proprietor of the trademark “DOLCE AND GABBANA” and derivatives of this name and trademark such as “D&G”, and various other categories in the Republic of South Africa. The trademark registration/s is in terms of the Trade Marks Act No.194 of 1993 (“Trade Marks Act”).

[9] It is averred by the Applicant that on or about May 2014, the Applicant became aware that the Respondent had registered its company name which contains the words “DOLCE AND GABBANA”.

[10] The Applicant filed an objection to the use of the words “DOLCE AND GABBANA” in the name of the Respondent with the Companies Tribunal on 15 December 2014 on form CTR 142 as prescribed by regulation 142(1)(a), together with a supporting affidavit as required by regulation 142 (1)(b) by Christiana Ruella, a board member of the Applicant company, who was duly authorized to depose the affidavit by the Applicant by a resolution of 15 December 2014.

[11] The Applicant submits that the Respondents name DOLCE AND GABBANA (PTY) LTD is confusingly similar to the trademarks of the Applicant being DOLCE AND GABBANA.

[12] The Applicant avers that it is one of the leading international groups in the fashion and luxury goods sector and the trademark DOLCE AND GABBANA is a distinctive brand. The name of the Applicant is derived from both the founders’ surnames, namely Domenico Dolce and Stefano Gabbana.

[13] The Applicant states that it designs, produces and distributes high-end clothing, leather goods, eyewear, footwear and various other accessories. At the end of the financial year 2012/2013 it had a turnover of over 959 000 000 Euros.

[14] Furthermore, it is asserted that the Registration of the Respondent’s name is contrary to section 11(2)(a)(iii), (b) and (c)(i) of the Act.

[15] The Applicant submits that it is clear that the Respondent’s name DOLCE AND GABBANA (PTY) LTD is almost identical, and hence

confusingly similar to the Applicant's registered DOLCE AND GABBANA trademark in sight, sound and meaning.

[16] The Applicant requests the Companies Tribunal to make an order that the Respondent change its company name because the use of the Respondent's name in commerce would constitute an infringement on the Applicant's DOLCE AND GABBANA trademark.

APPLICABLE LAW

[17] Section 11(2) of the Act is primarily about protection against infringement of a registered company name or trademark, and the applicable sections reads as follows:

"Section 11(2): The name of the company must:

a) not be the same as:

(i) the name of another company, domesticated company, registered external company, CC 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, 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 trademark belonging to a person other than the company, or mark in respect of which an application has been filed in the Republic for registration as a trademark or a well-known trademark as contemplated in section 35 of the Trade Marks Act, 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, except to the extent permitted by or in terms of that Act;

b) not be confusingly similar to a name, trademark, 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) 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 trademark or mark referred to in paragraph (a)(iii), the company is the registered owner of the business name, trademark, 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;

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;”

[18] The Applicant seeks remedies in terms of Section 160 which reads as follows:

“Section 160.

(1) A person to whom a notice is delivered in terms of section 12(3) or section 14(3) 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 satisfies the requirements of section 11.

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

(a) within three months after the date of a notice contemplated in subsection (1), if the applicant received such a notice; or

(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.

(3) 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—

(i) the Commission to—

(aa) reserve a contested name for the applicant in terms of section 12;

(bb) register the contested name, or amended name as the name of company; or

(cc) cancel a reservation granted in terms of section 12, if the reserved name has not been used by the person entitled to it; or

(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.”

EVALUATION

[19] The Companies Tribunal must evaluate whether the name satisfies the requirements set out in Section 11(2) of the Act.

[20] To evaluate the meaning of the words contemplated in section 11 (2) I will rely on the guidance of the common law where applicable.

[21] Section 11(2)(b) 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] The word “similar” as stipulated in section 11(2)(b) would be described as “having a marked resemblance or likeness”¹ and that the offending mark or name should immediately bring to mind the well-known trade mark or other name. Courts place a determination on whether the mark or names are “the same or confusingly similar” and whether the mark or name is able to “falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the [Respondent] company is part of, or associated with” the Applicant company.²

[23] In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* the court held that the “This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant’s mark, with an imperfect recollection of the registered mark and due allowance must be

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

² See *Deutsche Babcock SA (Pty) Ltd v Babcock Africa (Pty) Ltd* 1995 (4) SA 1016; *Bata Ltd v Face Fashions* CC 2001 (1) SA 844 (SCA);

made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as for example, the use of name marks in conjunction with a generic description of the goods.”³

[24] The Applicant asserts that the Respondent’s name “DOLCE AND GABBANA” and the Applicant’s registered “DOLCE AND GABBANA” trademarks are confusingly similar in terms of the basic principles of confusingly similar.

[25] The strengthen this assertion, the Applicant directs the Tribunal to the case of *Metcash Trading Limited v Rainbow Cash and Carry CC*⁴ where RAINBOW STORES and RAINBOW CASH & CARRY were found to be confusingly similar and the court said that is unlikely that two service marks will be found side by side on a shelf but rather “the notional customer with imperfect recall would probably remember that goods can be purchased at a store with RAINBOW as its name. The additions of the words ‘STORE’ and ‘CASH & CARRY’ would merely be indicative of a place where products are sold.”

[26] It is uncertain from the record as to what business the Respondent has registered to trade. This would not preclude a reasonable person from reasonable likelihood of associating the Applicant’s brand with the Respondent’s name. As stated in *Capital Estates and General Agencies (Pty) Ltd and other v Holiday Inns Inc*, the court held that even if parties do not appear to carry on the same business in precisely the same field, this did not mean that there will not be confusion or deception in trade.⁵

³ 1984 (3) SA 623 (A) at 641 B-C.

⁴ Unreported decision, TPD, Case no 4339/01 of 8 November 2001.

⁵ 1977 (2) SA 916 (A). at 929.

FINDINGS

[27] It is logical that the Respondent ought to have known that its name incorporated the well known trademark of the Applicant.

[28] It is my view that the applicant's trademarks and company name "DOLCE AND GABBANA TRADEMARKS S.R.L" and the Respondent's name "DOLCE AND GABBANA (PTY) LTD" when placed side-by-side, are not only identical words, but to a reasonable person it would not only appear confusingly similar.

[29] The Respondents name "DOLCE AND GABBANA (PTY) LTD" incorporates the whole of the applicants trademark "DOLCE AND GABBANA". A person could reasonably be misled to believe incorrectly that the Respondent's company is part of or associated with the Applicant's company. This would surely be prejudicial to the Applicants trademarks and brand.

ORDER

I proceed to make the following order;

- a) The Applicant's application is granted in terms of Section 160(3) of the Companies Act.
- b) The Respondent is directed to change its name to one that does not incorporate and is not confusingly and/or deceptively similar to its DOLCE AND GABBANA company name and trademarks.
- c) The Respondent is ordered to a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- d) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.
- e) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission (CIPC).

- f) 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.
- g) There is no order of costs in relation to this application.



KASTURI MOODALIYAR
COMPANIES TRIBUNAL: MEMBER