

**IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA, PRETORIA**

CASE NO: CT005Dec2015

In the matter between:

Hugo Boss Trade Mark Management Gmbh & Co KG Applicant

and

Boss Word Vision (Pty) Ltd Respondent

2013/131652/07

Coram: Delport P.A.

Decision handed down on 27 July 2016

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**Decision**

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**INTRODUCTION**

[1] The applicant applies for a default order that the respondent be ordered to change its name because it does not comply with s 11(2)(a)(iii) and/or with s 11(2)(b)(iii) and/or s 11(2)(c)(i) of the Companies Act 71 of 2008 (“Companies Act”).

[2] Regulations 142 and 153 of the regulations in terms of the Companies Act (GNR 351 of 26 April 2011) (“Companies Act regulations” / “regulations”) regulate an application to the Companies Tribunal (“Tribunal”) as well as the application for a default order under certain circumstances.

**BACKGROUND**

[3] The background, as per the affidavit of Paul Daly, duly authorised thereto by the applicant, is set out hereunder.

- [4] The applicant is Hugo Boss Trade Mark Management Gmbh & Co KG incorporated in terms of the laws of Germany.
- [5] The respondent is Boss Word Vision (Pty) Ltd, a company incorporated on 1 August 2013 in South Africa under registration number 2013/131652/07.
- [6] The respondent's name came to the attention of the applicant on or about 28 July 2014 by virtue of the publication thereof in the Government Gazette of 9 December 2013 and a letter was sent by registered mail to the respondent on 28 September 2014 by Spoor & Fisher, advising the respondent of the applicants' rights in respect of the name "Hugo Boss". No response was received by the applicant.
- [7] More than a year later, ie on 9 December 2015, the applicant filed a CTR 142 and the founding affidavit with the Tribunal for an order that the respondent change its name as provided for in s 160(3)(b)(ii) of the Companies Act, and these documents were then served on 15 December 2015 at the address of the respondent as per the records of the Companies and Intellectual Property Commission "by affixing it to the principal door", as per the return for and on behalf of the Sherriff of Johannesburg.
- [8] There was no reaction from the respondent and the applicant applies on CTR 145 (which should be CTR 153) for a default order in terms of reg 153 that the respondent changes its name to one not containing the word "Boss" (referred to as "Gucci" in the CTR 142) as such a name is, apparently, in contravention of:
- 8.1 s 11(2)(a)(iii) and/or
- 8.2 s 11(2)(b)(iii) and/or
- 8.3 s 11(2)(c)(i).
- [9] I use the word "apparently", as the relief sought, and which must be clearly indicated in terms of reg 142, differs vastly from that stated in CTR 142.

[10] I will refer to the relief sought in CTR 145 (which should be CTR 153) as that claimed in CTR 142 is not correct. However, the difference/s will not prejudice the respondent.

## **APPLICABLE LAW**

[11] The remedies in s 160 are available to “any...person with an interest” as defined in, *inter alia*, *Ex parte Mouton and Others* 1955 (4) SA 460 (A) and *Cabinet of the Transitional Government for the Territory of South West Africa v Eins* 1988 (3) SA 369 (A) and see *Henochsberg on the Companies Act 71 of 2008* at 101 and at 322(21). The applicant is such a person.

[12] A “person” is defined in section 1 of the Companies Act to include a ‘juristic’ person. A “juristic person” is then defined in said section 1 as including “a foreign company”. The definition of a “foreign company” is *inter alia* “an entity incorporated outside the Republic”. The applicant is so incorporated and is therefore a “person” for purposes of section 160.

[13] Section 160, which is the basis for applications like these, provides, as far as it is relevant for the present discussion, as follows:

**“160. Disputes concerning reservation or registration of company names.—**

(1) ... 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 this Act.

(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.”

[14] Section 11 of the Companies Act, as far it is relevant here, provides as follows:

“(2) The name of a company must—

(a) not be the same as—

...

- (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

...

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

...

- (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

...

- (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

[15] The Companies Act does not define what is meant by “good cause” in terms of s 160(2)(b) and it is not clear whether it refers to substantive grounds (such as e.g. s 11) or whether it refers to the period of time within which the application should be launched.

[16] Based on the context of sub-s (2) of s 160, it would seem that the sensible interpretation will be that it refers to the period within which to launch the application: See *Natal Joint Municipal Pension Fund v Endumeni Municipality* 2012 (4) SA 593 (SCA) para 18.

[17] The reason for the requirement that there must be good cause shown why the application was launched at a particular date would appear to be that the person doing business under a particular name, that has been registered by the Companies and Intellectual Property Commission, is not prejudiced by a

belated challenge which could affect the goodwill built up in using the name. See also *Comair Limited vs Kuhlula Training, Projects and Development Centre (Pty) Limited* CT007Sept2014 of 27 February 2015.

- [18] The applicant attempts to address the period since it became “aware” of the name, to the date of the launching of the objection.
- [19] As stated above the effluxion of time should be evaluated against possible prejudice to the respondent in determining “good cause”. In light of the fact that the respondent is, apparently according to the records of the CIPC, in the process of deregistration would exclude possible prejudice. As a result the requirements in respect of “good cause” falls away. Even if this is not the case, the periods, although long, do not seem to be excessive so as to cause possible prejudice to the respondent. However, this issue is not critical in respect of this decision.
- [20] As to the application of s 11(2)(a)(iii), the requirement is that the name must not be the “same as” a particular trade mark etc. Section 11(2)(a) of the Companies Act cannot apply in this instance, because the names are not “...identical rather than ‘similar to’”: see also *Century City Apartments Property Services CC and Another v Century City Property Owners Association* [2010] 2 All SA 1 (SCA); *Henochsberg on the Companies Act 71 of 2008* at 57. See however for a contrary interpretation *Global Vitality Incorporated v Enzyme Process Africa (Pty) Limited and Others* (20884/2013) [2015] ZAWCHC 111 (21 August 2015).
- [21] The names “Hugo Boss” and “Boss Word Vision” are not the same for purposes of s 11(2)(a).
- [22] The next question is then whether the name of the respondent is, in terms of s 11(2)(b), “confusingly similar” to the trade mark of the applicant. The applicant did not authorise such use in terms of 11(2)(b)(iii).
- [23] The test here is whether the name of the respondent and the name (in the registered trade mark) used by (and registered to) the applicant are alike in a manner that the average consumer in the market place would probably be

deceived or confused by their similarity: *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A); *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* (164/2015) [2016] ZASCA 77 (27 May 2016) para 6. The average consumer would then be the “ordinary reasonable careful man, ie 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).

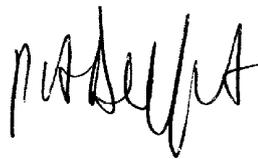
- [24] The test as in *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) 641 and *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* (164/2015) [2016] ZASCA 77 (27 May 2016) para 6 is in respect of a trade mark registered in terms of the Trade Marks Act 194 of 1993 and different issues may apply in respect of a word/s.
- [25] In respect of a word in everyday use, and the possible confusion, it was said in *Bata Ltd v Face Fashions CC & Another* 2001 (1) SA 844 (SCA) para 7: “It is an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word.”: See also *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* (164/2015) [2016] ZASCA 77 (27 May 2016) para 10.
- [26] 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” (which is not an ordinary word) in respect of an existing name ‘Azisa’ is not “undesirable” as was used in the 1973 Companies Act, but that the word “Azisa” *alone* would in all likelihood lead to inconvenience and confusion amongst the customers.
- [27] “Boss” is an ordinary English word in everyday use and also used in respect of many other products and services, such a motor cars, TV shows, books etc. Registration in terms of the Trade Marks Act 194 of 1993 of a name containing an ordinary word, can, in the absence of confusion of that name used in a particular context, not confer exclusive use of that word on the registered owner.

[28] The *dicta* in respect of the Trade Marks Act 194 of 1993 apply equally to the provisions of s 11(2)(b) the Companies Act: *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* (164/2015) [2016] ZASCA 77 (27 May 2016) para 15. In light of the *dicta* above in respect of the Trade Marks Act it can be concluded that the name of the respondent is not in contravention of s 11(2)(b) the Companies Act.

[29] I have previously held that the elements of s 11(2)(c) are, on various grounds, different from that of s 11(2)(b). However, in *Lucky Star Ltd v Lucky Brands (Pty) Ltd and Others* (164/2015) [2016] ZASCA 77 (27 May 2016) para 15 the Supreme Court of Appeal said that the same test, as applicable in respect of trade mark infringement (ie confusion) is applicable to both s 11(2)(b) and 11(2)(c) of the Companies Act. I read this to mean that if the facts indicate a contravention of s11(2)(b), it is also a contravention of s 11(2)(c). The opposite should therefore also be true, and if the facts do not indicate a contravention of s11(2)(b), a finding of a contravention of s 11(2)(c) is not competent.

## **ORDER**

[30] The application is dismissed.



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**P.A. Delport**

**MEMBER OF THE COMPANIES TRIBUNAL**