

**COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case: CTR 020/07/2013

In the matter between;

MY LAW CHEMICALS & COATINGS (PTY) LIMITED

Applicant

and

EXCELSIOR INTERIOR DESIGN DECOR AND TRADING CC
(Registration Number CK 2011/078293/23)

Respondent

Presiding Member of the Tribunal: Lucia Glass

DECISION (Reasons and Order)

Introduction

- 1) This is an application in terms of section 160 of the Companies Act 71 of 2008 (the Act). The basis of the application is that the Respondent's name **EXCELSIOR INTERIOR DESIGN DECOR AND TRADING** (emphasis added) is prohibited in terms of Section 11(2) of the Act, in that it incorporates and is inter alia confusingly similar to the Applicant's **EXCELSIOR** (emphasis added) trademark, which is

registered in South Africa, and should not be permitted to remain in its current form on the Companies register.

Preliminary Issues

- 2) This application was served by the Sheriff of the High court on the Respondent's Registered office as reflected on the certificate of Incorporation of the Respondent. I am consequently satisfied that the Respondent's lack of participation in these proceedings is not due to lack of service and that this application is unopposed.
- 3) The Deponent to the Applicant's papers is Christine Kalibbala, who avers that she is a senior associate of DM Kisch Inc. who are the attorneys of record for the Applicant in respect of the objection to the registration of the close corporation name of the Respondent.

Background / Evidence

4) It is averred that the Applicant is involved with the retail and wholesale trade of inter-alia, paints and has been around since 1952 and is the proprietor in South Africa of the EXCELSIOR trademark. Details of the relevant trade mark registrations are set out and attached to the affidavit.

5) The Applicant submits that the Respondent's name **EXCELSIOR INTERIOR DESIGN DECOR AND TRADING CC** is confusingly similar to the trademark of the Applicant being **EXCELSIOR**.

The Applicant submits that the Respondent's name **EXCELSIOR INTERIOR DESIGN DECOR AND TRADING CC** is confusingly similar to the applicant's **EXCELSIOR** trademark, by virtue of the presence of the word **EXCELSIOR** therein and as such there exists a reasonable likelihood of confusion and or deception arising amongst members of the public between the two.

6) It is averred that the Applicant has made ongoing and extensive use of its EXCELSIOR trade mark in South Africa, and has acquired a substantial reputation and goodwill in and to its trade mark. Members of the public in the relevant sector thus associate the EXCELSIOR trade mark with the Applicant. In addition to its statutory rights, the Applicant has strong common law rights in and to its EXCELSIOR trade mark, entitled it to rely on the common law remedy of passing off, to restrain the unauthorised use in the course of trade, of its EXCELSIOR trade mark, where such use is likely to cause deception or confusion.

7) It is further averred that the respondent's name **EXCELSIOR INTERIOR DESIGN DECOR AND TRADING CC** wholly incorporates the Applicant's **EXCELSIOR** trademark. The remaining portion of the close corporation name, namely **INTERIOR DESIGN DECOR AND TRADING** is descriptive and non-distinctive. The dominant and most memorable part of the close corporation name **EXCELSIOR** is therefore identical to the Applicant's registered **EXCELSIOR** trade mark. The additions of the descriptive terms are not sufficient to negate the likelihood of confusion. Furthermore, the principal business is described as **INTERIOR DESIGN DECOR AND TRADING**, which is broad and could therefore extend to one or more of the goods and services covered by the Applicant's trade mark registrations.

8) The Applicant requests the Companies Tribunal to make an order that the respondent be ordered to change its company name to a name that does not incorporate and is not confusingly and /or deceptively similar to its **EXCELSIOR** trademarks. Ordering the respondent to pay the costs of these proceedings.

APPLICABLE LAW

Section 11 (2) (a) and (b) of the Act

9) This section is primarily about protection against infringement of a registered company name or trademark, and reads as follows:

" Sec 11 (2) *The name of a company must—*

(a) not be the same as, or confusingly similar to—

(i) the name of another company, registered external company, close corporation or co-operative unless the company forms part of a group of companies using similar names;

(ii) a name registered for the use of a person as a business name in terms of

the Business Names Act, 1960 (Act No. 27 of 1960);

(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); 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 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;

(ii) is an organ of state or a court, or is operated, sponsored, supported or endorsed by the State or by any organ of state or a court;

(iii) is owned, managed or conducted by a person or persons having any particular educational designation or who is a regulated person or entity;

(iv) is owned, operated, sponsored, supported or endorsed by, or enjoys the patronage of, any—

(aa) foreign state, head of state, head of government, government or administration or any department of such a government or administration; or (bb) international organisation;"

10) The Applicant seeks remedies in terms of Section 160 which reads as follows:

"Part B

Rights to seek specific remedies

Disputes concerning reservation or registration of company names.

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 a 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."

Application of common law

11) In terms of the Act there are no precedent cases which can be relied on, however in order to obtain insight into the views of learned Judges who have eruditely analysed name disputes and moreover, whether the names are "the same or confusingly similar" and whether the name is able to "falsely imply or suggest, or be such as would reasonably mislead a person to believe incorrectly, that the company is part of, or associated with", it is my view that it will do no harm in looking into these judgments even though they are not made in terms of the Act.

12) In 1948 ¹ the courts considered it appropriate to say "*the court must not only consider the marks when placed side-by-side but must have regard to the position of a person who might at one time see or hear one of the marks and later possibly with an imperfect recollection of the mark, come across the other mark*".

13) In more recent times, 2000 in an unreported judgement ² the court said: "*If one compares the name Kentron which the applicant has used and is still using with the name Kentronics which the first respondent is using, it is clear that there is a visual and phonetic differences. It is however, also obvious that there are similarities. The name Kintronics incorporates the whole of the applicants trading style Kentron.*"

14) In 2001 the court said: ³ "*the decision involves a value judgment and that the ultimate test is whether, on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both marks are to be used together in a normal and fair manner, in the ordinary course of business*".

¹ AMERICAN CHEWING PRODUCTS CORPORATION v AMERICAN CHICLE COMPANY 1948 (2) SA 736 (A)

² DENEL (PTY) LTD AND KENTRONICS (PTY) LTD AND THE REGISTRAR OF COMPANIES TDP CASE NO 213527/2000 (unreported)

³ COWBELL AG V ICS HOLDINGS 2001 (3) SA 941 (SCA)

Evaluation

15) The dominant word in the Applicant's name is **EXCELSIOR** and the dominant part of the Respondent's name is **EXCELSIOR**. The dominant words are the same.

16) The names of Respondent and Applicant are phonetically and visually confusingly identical.

17) If members of the public merely look at the two names of the two different entities there is a real likelihood that they will be misled by the similarity of the names.

18) Members of the public may be confused or deceived into believing that the business of the Applicant is linked to, or associated with that of the Respondent and are "horses from the same stable".

Findings

19) It is my view that the Respondent, falsely implies or suggests, and reasonably misleads a person to believe incorrectly, that the Respondent is part of, or associated with the Applicant's trademarks, which have 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).

20) When the close corporation name **EXCELSIOR INTERIOR DESIGN DECOR AND TRADING CC**, and the trademark word **EXCELSIOR** are placed side-by-side and with regard to the position of a person who might at one time see or hear one of the marks and later possibly with an imperfect recollection of the mark, come across the other mark, I have no doubt that the name and the mark is not only confusingly similar, but identical, and that a person would mistake the one for the other.

21) The name **EXCELSIOR**, incorporates the whole of the Applicant's trademark **EXCELSIOR** and I am certain that the Applicant will be prejudiced if I do not make an order that the Respondent change its name to one that does not incorporate and or is not confusingly and or deceptively similar to the applicant's **EXCELSIOR** trade mark.

22) I am convinced that if the two names are compared, it can properly be said that there is a reasonable likelihood of confusion if both names are to be used together in a normal and fair manner, in the ordinary course of business.

23) It is my view that the dominant word of the name of the Applicant **EXCELSIOR** is not only the same and confusingly similar to the dominant word of the name of the Respondent **EXCELSIOR**, it is identical and does falsely imply or suggest that the Applicant is associated with the Respondent. This would reasonably mislead a person to believe incorrectly, that the applicant is associated with the respondent.

ORDER

I proceed to make an order in the following terms;

- a) the Respondent is directed to change its name to one which does not incorporate and is not confusingly and/or deceptively similar to its **EXCELSIOR** trademarks.
- b) The Respondent file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- c) The Respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.
- d) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission.
- e) 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.
- f) As the respondent has not wasted costs in opposing the matter, I do not make a costs order against the respondent.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 29. 3. 2014