

**COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case: CTR007/09/2013

In the matter between;

AMKA PRODUCTS (PTY) LTD

Applicant

1979/005849/07

AND

AMKHA COSMETICS (PTY) LTD

Respondent

2010/029525/07

DECISION (Reasons and Order)

Presiding Member of the Tribunal: Lucia Glass

Introduction

- 1) This is an application requesting a default order against the Respondent, based on Sections 11 (2) and 160, of the Companies Act 71 of 2008 (the Act) read with Regulations 153 of the Act. The Applicant requests an order directing the Respondent to change its company name to one which does not incorporate and is not confusingly and/or deceptively similar to the Applicant's **AMKA** trademark. The Applicant's trade mark is **AMKA** and the Respondent's Company name is **AMKHA COSMETICS PROPRIETARY LIMITED**.

Preliminary Issues

- 2) The applicant filed its objection to the name on the 30th August 2013. The objection was subsequently served at the registered address of the respondent by the Sheriff Thabamopo on 3rd September 2013, (sheriff's return of service is attached to the papers). I am consequently satisfied that the respondent's lack of participation in these proceedings is not due to lack of service.
- 3) The Deponent to the Applicant's papers is Moosa Ebrahim Kalla, who avers that he is one of the directors of the Applicant. He states that he has held his position since 1994. He further states that he has been involved in the relevant aspects of

the applicant's trade for over 19 years. He avers that he is authorised by the Applicant to make this application which stems from his position within the applicant.

Background / Evidence

4) It is averred that the applicant's business was founded by the Kalla family in the 1950's and has today grown into one of the largest manufacturers and distributors of health, beauty and home care products in South Africa and in more than 35 countries throughout the African continent.

5) It is further averred that the applicant has a substantial goodwill and reputation in its name and in the mark **AMKA** in relation to its businesses for over 60 years.

6) The applicant objects to the registration of the respondent's company name **AMKHA COSMETICS PROPRIETARY LIMITED** based on section 11 (2) of the Act as it incorporates a name similar to Applicant's registered trade mark, **AMKA** and should not be permitted to remain in its current form on the Companies register.

APPLICABLE LAW

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

7) 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;"

8) 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

9) 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.

10) 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*".

11) 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.*"

12) 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*".

Evaluation

13) The Companies Tribunal must make a determination whether the name satisfies the requirements of Sec 11 (2) (iii) of the Act, which states

'The name of a company must—

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

(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

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)

1993);'

14) The Respondent's full name AMKHA COSMETICS PROPRIETARY LIMITED is not identical to the Applicant's trademark AMKA in that the words 'AMKHA COSMETICS PROPRIETARY LIMITED' follow the word 'AMKAH'.

15) The dominant word '**AMKAH**' in Respondent's name and Applicant's trademarks '**AMKA**' are phonetically and visually confusingly identical.

16) If members of the public merely look at the two names of the two different entities where the words AMKA OR AMKAH appear, in the respective Respondent's and Applicant's names, there is a real likelihood that they will be misled by the similarity of the names.

17) 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" as they both sport, phonetically identical words '**AMKAH OR AMKA**'.

Findings

18) 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).

19) When the dominant word in the respondent company 'AMKAH' and the trademark word 'AMKA' 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 confusingly similar.

20) 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. 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 applicant's 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.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 17.2.2014