

COMPANIES TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case: CT010MAR2015

In the matter between;

PIQUANTE BRANDS INTERNATIONAL

First Applicant

And

PEPPADEW INTERNATIONAL (PTY) LTD

Second Applicant

AND

PEPPERDEW BUSINESS AND TRAINING SOLUTIONS (PTY) LTD

Respondent

2014/181936/07

DECISION (Reasons and Order)

Presiding Member of the Companies Tribunal: Lucia Glass

Introduction

1) This is an application for a default order against the Respondent, which is filed in terms of Section 160 of the Companies Act 71 of 2008 (the Act) read with Regulations 153 of the Act (Regulations), for a determination in respect of respondent's name **PEPPERDEW BUSINESS AND TRAINING SOLUTIONS (PTY) LTD** based on Sections 11 of the Act. The Applicant requests an order inter alia, directing the Respondent to change its company name to one which does not incorporate and is not confusingly and/or deceptively similar to the 1st Applicant's Trademarks **PEPPADEW** and 2nd Applicant's name, **PEPPADEW INTERNATIONAL (PTY) LTD**.

Preliminary Issues

2) This application was served at the registered address of the Respondent by the Sheriff on the 9th March 2015, (sheriff's return of service is attached to the papers). To date, the Respondent has not filed an answering affidavit in response to the Applicants' application, for relief, thus I am consequently satisfied that the Respondent's lack of participation in these proceedings is not due to lack of service.

3) The Deponent, for both the Applicants, is Nicholas Jack de Haaff, who avers that he is a director of the First and Second Applicants and that he is authorised by the Applicants to make this application and attaches to his affidavit, the applicant's directors' resolution authorising him to do so.

Background / Evidence

4) The Applicants object to the incorporation of the Respondent under the name **PEPPERDEW BUSINESS AND TRAINING SOLUTIONS (PTY) LTD** as the dominant part of the name **PEPPERDEW**, is both visually similar and phonetically identical to the **Trade Marks** as well as the Second Applicant's registered company name, **PEPPADEW INTERNATIONAL (PTY) LTD**.

5) It is averred that the name **BUSINESS AND TRAINING SOLUTIONS (PTY) LTD** is a purely descriptive term, and does not serve to distinguish the Respondent from the Applicants. As a result, the use of the name **PEPPERDEW BUSINESS AND TRAINING SOLUTIONS (PTY) LTD** is likely to cause confusion amongst members of the public in that they are likely to believe that the entities are associated with each other, or that the services of the Respondent are endorsed by the Applicants, which they are not.

6) The Applicant prays for an order, that the Respondent should be ordered to change its name to one that is not confusingly similar to that of the Second Applicant's name and that it does not make use of the Trade Marks, or any confusingly similar trade mark including the word **PEPPERDEW** in any manner.

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:

"Section 11 (2) *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 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;

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".

Application of common law

9) Even though the past common law cases are not based on the current Act, they are still very useful in establishing whether the names are "the same or confusingly similar" moreover 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".

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*".

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

13) The Companies Tribunal is tasked to determination whether the name satisfies the requirements of Section 11 (2) of the Act.

14) The dominant word in Respondent's name, **PEPPERDEW** and Applicant's trademarks **PEPPADEW** are phonetically similar and are phonetically and visually confusing.

15) If members of the public merely look at the two names of the two different entities where the words **PEPPERDEW or PEPPADEW** 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.

16) 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.

Findings

17) 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).

18) When the dominant word **PEPPERDEW** in the Respondent's name and the Applicant's trademark **PEPPADEW** 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, comes across the other mark, I have no doubt that the name and the mark is confusingly similar as they are phonetically identical.

19) 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 the 1st Applicant's trademarks or the 2nd Applicant's name.
- b) The Respondent is ordered to 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) No order as to cost is made.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 27th JUNE 2015