IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA, PRETORIA

CASE NO: CTR003/08/2012

In the matter between:

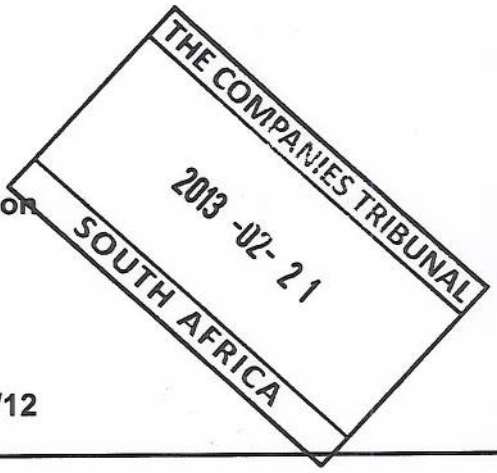
Electronic Media Network Limited **Applicant**

And

Mzansi Community Satellite Television NPC **Respondent**

Coram: Kganyago M.F

Decision handed down on the 02/11/12



DECISION

INTRODUCTION

[1] The Applicant is bringing an application in terms of section 160 of the Companies Act, 71 of 2008. The Applicant's application was served on the Respondent on the 15th August 2012 at 75 Twickenham Avenue, Auckland Park, Gauteng, to Mrs D Masalesa by the sheriff. The Respondent did not serve or file any notice to oppose the Applicant's application. The Respondent has also failed to serve or file any answering papers to the Applicant's application.

[2] The Applicant is seeking an order that the Respondent be directed to choose a new name, as they are of the view that the Respondent's name does not satisfy the requirements of section 11 of the Act.

BACKGROUND

[3] The Applicant is based in Randburg and operates as a subsidiary of Naspers Limited, a company incorporated and existing under the laws of the Republic of South Africa, and having its principal place of business at 40 Heerengracht Street, Capetown, South Africa.

[4] The Respondent, is a non profit company incorporated in terms of the Companies Act, 71 of 2008, and having its registered address at 75 Twickenham avenue, Auckland Park Johannesburg.

[5] During April 2012, the Applicant became aware of Mzansi Community Satelite Television which they allege that it is also known as Mzansi TV. The ground of the Applicant's objection is that the name Mzansi Community Satellite Television NPC does not satisfy the requirements of Section 11(2) (b) and 11(2)(c)(1) of the Companies Act. It is the view of the Applicant that the dominant and most memorable portion of the company name "**MZANSI",** is identical to the first portion of "**MZANSI MAGIC"** trade mark. The Applicant is further of the view that the remaining name, "**COMMUNITY SATELITE TELEVISION,"** is purely descriptive and relates directly to the broadcasting services, being services of direct interest to the Applicant and for which the Applicant is well-known.

[6] According to the Applicant, they are the proprietor of the trade mark **"MZANSI"** which is registered in the Trade Marks Register on the 21st January 2010 as Mzansi Magic and remains valid until the 21st January 2020.

[7] The Applicant is therefore, of the view that the Respondent's Company name is confusingly, and/or deceptively similar to its registered name "**MZANSI MAGIC"** trade mark, and should therefore be cancelled in terms of section 11(2) (a) (iii) of the Act.

APPLICABLE LAW

[8] Section 11(2) (a) (iii) of the Companies Act, 71 of 2008 reads as follows:

"(2) The name of the company must-

(a) not be the same as-

(i).....

(ii).....

(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 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."

[9] Section 11(2) (b) of the Companies Act, 71 of 2008 reads as follows:

" The name of the company must-

(b) not be confusingly similar to a name, trade mark, mark 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 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;

(iii) in the case of a name similar to a trade 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

(iv) in the case of 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, 1941."

[10] Section 11(2)(c)(i) of the Companies Act, 71 of 2008 reads as follows:-

"(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."

[11] Section 34(1)(b) and (c) of the Trade Marks Act, 194 of 1993 reads as follows:-

"34(1) The rights acquired by registration to a trade mark shall be infringed by-

(a).....

(b) the unauthorised use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exist the likelihood of deception or confusion;

(c) the unauthorised use in the course of trade in relation to any goods or services of a mark which is identical or similar to a trade mark registered, if such mark is well known in the Republic and the use of the said mark would be likely to take unfair advantage of or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception. Provided that the provisions of this paragraph shall not apply to a trade mark referred to in section 70(2)."

EVALUATION

[12] The Applicant has brought an application seeking an order that the Respondent be ordered to change its name by virtue of the provisions of section 11(2)(b) and 11(2)(c)(i) on the basis that it falsely implies or suggest, or is otherwise reasonably likely to mislead a person to believe, incorrectly, that the Respondent is part of or associated with the Applicant.

[13] The mere fact that the name of one company is similar to the other, does not on that ground alone justify a conclusion that the name is undesirable. The Act does

not use the word "undesirable", but it remain relevant under the circumstances. It must be shown that the name is likely to deceive or mislead the members of the public and that it is the same or similar to that of another and as a result is likely to lead to a confusion to members of the public.

[14] To determine whether there is a reasonable likelihood that members of the public may be confused into believing that the business of the other is connected to the other, I will take into consideration whether the two entities are conducting or trading in a common field of activity. In terms of section 11(2) (b) of the Act, the name of the company must not be confusingly similar to a name, trade mark, mark or expression contemplated in paragraph (a) unless there are some exclusions as mentioned in subsection 2(b) (i) to (ii). In this case the applicant is relying on both section 11(2)(b) and 11(2)(c)(i). Both parties are operating in the broadcasting industry. The Applicant did not consent to the Respondent using its "**MZANSI**" trade mark. The Respondent did not serve or file any opposing papers.

[15] Since the Respondent has failed to oppose the Applicant's application, the version of the Applicant remained unchallenged. Since both parties operate or trade in the common field of activity, I agree with the Applicant that the use of their "**MZANSI**" trade mark by the Respondent , will lead to likelihood of confusing or decepting the members of the public. There is also a likelihood of unfair advantage and that will be detrimental to the well known **"MZANSI**" trade mark which is the Applicant's registered trade mark.

FINDINGS

[16] Therefore, under the circumstances, in my view, the Applicant has shown that the Respondent's name of Mzansi Community Satelite Television NPC, offends against the provisions of section 11(2)(b) and 11(2)(c)(i) of the Companies Act, 71 of 2008 by incorporating the registered trade mark of the Applicant. The use of the entity name by the Respondent is likely to mislead the members of the

public into believing that the Respondent is associated with the Applicant, when it is not.

ORDER

[17] The Respondent is ordered to change its name to one that is not incorporating Applicant's "Mzansi" trade mark or a confusingly similar version within 20 working days of receipt of this decision.

M.F KGANYAGO

MEMBER OF THE COMPANIES TRIBUNAL