

**IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA
(‘THE TRIBUNAL’)**

Case No. CT014Jun2017

In the matter between:

TOTAL SA

Applicant

and

TOTAL R TRADING (PTY) LTD

First Respondent

and

THE COMMISSIONER OF COMPANIES

Second Respondent

DECISION

INTRODUCTION

[1] This is an application in terms of section 160 of the Companies Act 71 of 2008 (the ‘Act’) read with section 11(2).

[2] This matter was before me and in my finding dated 21 August 2017, I directed the applicant to serve the application on the director of the first respondent Mr Isaac Simanga Khuzwayo and or his son Mr Khaya Khuzwayo. Once service is

effected, I directed that the applicant approach the Tribunal for a finding in respect of the main application.

- [3] The applicant has attempted to serve the application as directed and it is on that basis that I make the following decision.

PROCEDURE

- [4] I have considered the application together with the supporting and confirmatory affidavits and the extent to which the applicant has gone in order to effect service.

- [5] I am satisfied that the application was adequately served, in accordance with regulation 142(2) of the Companies Regulations, 2011 (the 'Regulations') read with regulation 153.

MERITS

- [6] The applicant seeks an order wherein the first respondent is ordered to change its name to one which does not incorporate and is not confusingly and or deceptively similar to the applicant's trade mark TOTAL.

- [7] In order to determine if one company name is confusingly and or deceptively similar to another, section 11(2) of the Act is relevant and reads:

11. Criteria for names of companies.—(2) *The name of a company must—*

(a) not be the same as—

- (i) the name of another company, domesticated company, registered external company, close corporation or co-operative;*
- (ii) a name registered for the use of a person, other than the company itself or a person controlling the company, as a defensive name in terms of section 12 (9), or as a business name in terms of the Business Names Act, 1960 (Act No. 27 of 1960), unless the registered user of that defensive name or business name has executed the necessary documents to transfer the registration in favour of the company;*
- (iii) 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*
- (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 be confusingly similar to a name, trade mark, mark, word 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 to a 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 or business name;

- (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*
 - (iv) in the case of a 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;*
- (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;*
 - (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; and*
- (d) not include any word, expression or symbol that, in isolation or in context within the rest of the name, may reasonably be considered to constitute—*
- (i) propaganda for war;*

- (ii) *incitement of imminent violence; or*
- (iii) *advocacy of hatred based on race, ethnicity, gender or religion, or incitement to cause harm.*

[8] From the reading of these sections it is clear that:

[8.1] Section 11(2)(a) provides that the name of a company must not be the same as the name, trade mark, mark, word or expression of another company.

[8.2] Section 11(2)(b)(ii) provides that the name of a company must not be confusingly similar to a name, trade mark, mark, word or expression unless the company, or a person who controls the company, is the registered owner of that defensive name or business name.

[8.3] Section 11(2)(c)(i) provides that the name of a company must not 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, any other person.

[9] The applicant's company name **TOTAL S.A.** is not the same as the first respondent's company name **TOTAL R TRADINGS (PTY) LTD** and section 11(2)(a) of the Act is consequently not applicable.

[10] The applicant makes out a case that the first respondent's company name **TOTAL R TRADINGS (PTY) LTD** is confusingly and or deceptively similar to the applicant's trade mark **TOTAL** as contemplated in section 11(2)(b) of the Act.

[11] For a company name to be confusingly similar to a name, trade mark, mark, word or expression of another company, the following considerations are relevant:

[11.1] In section 11(2)(b), 'similar' is stated to mean "*having a marked resemblance or likeness¹ and that the offending mark (or name) should immediately bring to mind the well-known trade mark (or other name)*".

[11.2] It has also been stated that a "*mere similarity is not sufficient, it must be confusingly so. As to the requirement for confusingly similar, the test, as in the case of passing-off, should be '... a reasonable likelihood that ordinary members of the public, or a substantial section thereof, may be confused or deceived into believing that the goods or merchandise of the former are the goods or merchandise of the latter or are connected therewith. Whether there is such a reasonable likelihood of confusion or deception is a question of fact to be determined in the light of the*

¹ *Bata Ltd v Face Fashions* CC 2001 (1) SA 844 (SCA)

particular circumstances of the case.”

[11.3] The principles set out above would also apply to section 11(2)(c), apart from the requirement of fault, it can reasonably mislead a person to hold a certain belief.

[11.4] To determine the test applicable in determining section 11(2)(b) and (c) Henochsberg on the Companies Act 71 of 2008 states the following:

“In terms of the 1973 Act the only consideration was whether the name is desirable or not, irrespective of the reason for the undesirability. It is respectfully submitted that although the 2008 Act does not make use of one universal term, namely “undesirable”, it is still useful to refer to the cases as it provides guidelines that would be relevant when interpreting section 11(2)(a), (b) and (c). The Registrar in terms of the 1973 Act (now the Commissioner) therefore had a wide discretion to reject the choice of name of a proposed company.

*Circumstances in which a name may be found to be ‘undesirable’ included those where the name: (1) would offend against public policy (e.g. it is obscene or likely to give offence); (2) is likely to mislead or deceive the public; (3) is the same as or similar to that of another and as a result is likely to lead to confusion amongst members of the public (see **Cape Town Lodge CC v Registrar of Close Corporations and Another [2008] 2 All SA 34 (C) at para 21**). It is submitted that these circumstances apply mutatis mutandis to sections 11(2)(a)–(c).*

*The mere fact that the name of one company is similar to that of another does not, on that ground alone, justify a finding that the name is undesirable, particularly where the name is an ordinary English word and the applicant is unable to demonstrate that it has acquired a secondary meaning associated with the applicant's business (see again the **Cape Town Lodge case supra at paras 46–48** in which the Court considered that it had to be satisfied that: “on balance, a substantial number of customers of Town Lodge will be deceived or confused by the similarity between Town Lodge and Cape Town Lodge. One of the ‘right principles’ is whether or not the words used in the mark consist entirely of words in everyday use which are descriptive of its services. I am very much persuaded by the correctness of the dictum in **Rovex Ltd and Another v Prima Toys (Pty) Ltd** . . . which runs as follows: ‘. . . If a defendant uses an ordinary English word or words, there is no doubt the public will be less likely to regard it as a proprietary word and associate it with a similar word registered by the plaintiff than would be the case if both words were invented words or words which had no meaning appropriate to the goods in question.’”*

[11.5] Cilliers² summarised the views of the courts with regard to the concept of ‘undesirability’, as follows:

“It is undesirable to register the new or amended name, if there is a likelihood of confusion or deception. It is a question of fact and degree whether or not a likelihood of sufficient confusion has been established to justify a change of name. Thus where the deception or confusion of the public is not manifest, the court must determine the likelihood of confusion or deception, not by looking at the names in isolation, but by

² JB Cilliers "Similar company names: A comparative analysis and suggested approach" 1998 *THRHR* 582 and 1999 *THRHR* 57.

considering all the circumstances. The following should be taken into account in determining whether a company name is undesirable because of its similarity to another company name; the likelihood of the names being abbreviated and the form of abbreviation; evidence of actual confusion or deception; the degree of confusion and its consequences, including inconvenience caused; whether a name could or might itself mislead the public or a recognized section of the public in any particular locality, or would be likely to cause confusion in the sense that the public would think that there is some actual connection or association between the companies; whether avoidable confusion has been created by the similarity of company names, which is undesirable; the Registrar's Directive of company names; the commercial environment in which the companies compete; the geographical environment in which the companies operate; whether the companies compete in the same market place; the importance of first impressions; the specialist nature of the companies' goods or services and the correlative ability of the customers to differentiate; whether the market place can arguably deal with any confusion; whether the name resembles a trade mark; and the nature of the names.

Each company name must be considered in the light of its individual merits or demerits. In doing the assessment, the courts use the reasonable man test, namely that of an average person with average memory and imperfect recollection, not one with an extraordinary or photographic memory."

FINDING

[12] The factors that are relevant for me in considering the merits of the applicants case are the following:

[12.1] The applicant and the first respondent uses an ordinary English word **TOTAL**.

[12.2] In such cases, the public is less likely to regard the ordinary English word **TOTAL** as a proprietary word.

[12.3] The applicant has to demonstrate that the ordinary English word **TOTAL** has acquired a secondary meaning associated with the applicant's business.

[12.4] The applicant has to demonstrate actual confusion or deception, the degree of confusion or the likelihood to cause confusion in the sense that the public would think that there is some actual connection or association between the companies.

[12.5] The applicant has to demonstrate that the name could or might itself mislead the public.

[12.6] Does the first respondent compete with the applicant in the same commercial environment or same market place.

[12.7] The specialist nature of the of the parties goods and services.

[13] With these considerations in mind, I am not persuaded by the applicant that the first respondents name is confusingly similar to the applicant's trade mark.

[14] I do however, agree with the applicant that the first respondents name 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 the applicant.

ORDER

Accordingly, I make the following order:

- a) The first respondents name does not comply with section 11(2)(c)(i) of the Act.
- b) The first respondent is directed to choose a name that does not consist of or incorporate the word TOTAL or any other mark, which is confusingly similar to the applicants TOTAL trademark within twenty (20) business days from date hereof.
- c) The first respondent should file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order.
- d) The first respondent is hereby exempted from the requirement to pay the prescribed fee for filing the notice of amendment contemplated in this paragraph.

- e) This Determination must be served on the Applicant, Respondent and the Registrar of Close Corporations of the Companies and Intellectual Property Commission (“Commissioner”) and in the event that the first respondent does not comply with this order, the Commissioner is directed to change the first respondent’s name to its company registration number within twenty (20) business days from date of the first respondents failure to comply.
- f) 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.
- g) Each Party to pay their own costs.

ADV LIZELLE HASKINS
MEMBER OF THE COMPANIES TRIBUNAL
DATED: 5 JULY 2018