

THE COMPANIES TRIBUNAL
OF
THE REPUBLIC OF SOUTH AFRICA

Case: CT00802ADJ2021

SUN INTERNATIONAL (SOUTH AFRICA) LTD

Applicant

AND

SUN CITY TILING (PTY) LTD

First Respondent

Registration (2020/0220380/07)

THE COMPANIES AND INTELLECTUAL PROPERTY

COMMISSION (CIPC)

Second Respondent

DECISION (Reasons and Order)

Presiding Member of the Companies Tribunal: Lucia Glass

INTRODUCTION

1) The Applicant applies, in terms of section 160 of the Companies Act 71 of 2008 (the Act) for an order, directing the Respondent to change its Company name to one which;

- (a) Does not incorporate the words SUN CITY or any other word confusingly and or deceptively similar to its SUN CITY trademarks.
- (b) further that, in the event that the Respondent fails to comply with the order to change its name within 60 days, the Commissioner of Companies be directed in terms of Section 160(3) (b) (ii) read with section 14(2) of the Act, to record the Respondent's registered number followed by (Pty) Ltd as Respondent's interim company name on the company register.

(c) A cost order against the respondent.

2) The basis of this Application is that the Respondent's name, SUN CITY TILING offends against the provisions of Section 11 of the Act, by incorporating a name that is confusingly similar to the Applicants' various registered SUN CITY Trademarks.

3) The Deponent to the Applicant's papers is BRETT HOPPE, who avers that he is the resort general Manager of Sun City casino and hotel resort, which is owned by the Applicant. Further that he is well acquainted with the SUN CITY Trademarks of the Applicant.

4) A copy of a Companies' search at CIPC, on the Respondent Company, is attached to the papers, which reflects that it was registered in 2020. He further attaches copies of the Applicant's Trademarks, which reflect that the Applicant's trademarks were registered at CIPC and renewed since 1980. Thus the Respondent Company, was registered **after** the Applicant's Trademarks were registered (emphasis added).

5) This application was served by the Sheriff Verulam on the 1st September 2021 on the registered address of the Respondent and proof thereof is annexed to these papers.

6) To date the Respondent has not entered a responding affidavit. Subsequently I believe that this application was properly served on the Respondent and to date, the Respondent has not deemed it necessary to defend this application.

7) The papers were not served within three months after the date of a notice contemplated in the subsection. I believe that good cause was shown, that this was not possible as the Applicant advises that the Corona pandemic lockdowns caused disruption in workflow, thus I exonerate the Applicant, from complying with this time period.

8) It is averred that the Respondent's name is confusingly similar to the Applicant's trademarks in that it wholly incorporates the Applicant's SUN CITY trademarks. Further that the word SUN CITY is the dominant feature of the Respondent's name SUN CITY TILING.

9) It is alleged that the name of the Respondent, would reasonably mislead a person to incorrectly believe that the Respondent is part of or associated with the Applicant's Trademarks.

10) APPLICABLE LAW

Sec 11 (2) of the Act says that 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.

9) 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 THE COMMON LAW

11) In terms of the previous Companies Act, similar cases have been decided in respect of names that 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 another company or trademark. It is my view that it will be useful to look at these judgments even though they are not made in terms of the current Act.

12) In 1948 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 2000 in an unreported judgement 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 Kentronics incorporates the whole of the applicants trading style Kentron."

14) In 2001 the court said: "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".

DECISION

15) The Applicant's trademarks, SUN CITY, is fully incorporated in the name of the Respondent's name, SUN CITY TILING. If the Applicant's trademarks and the Respondent's name are compared, there is no doubt in my mind that they are confusingly similar as they both have the words SUN CITY and there will be confusion if the word SUN CITY to be used by the Respondent, in a normal and fair manner, in the ordinary course of business.

16) It is my view that if members of the public merely look at the names of the different entities, there will be no doubt, that they will be misled by the similarity of the names.

17) Members of the public will be confused or deceived into believing that the business of the Applicant is linked to, or, associated with that of the Respondent's trademarks.

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 the word SUN CITY and is not confusingly and or deceptively similar to the Applicant's Trade marks.
- b) The Respondent is to file a notice of an amendment of its Memorandum of Incorporation, within 60 days of receipt of this order in order to change its name as per a) above.
- 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 Respondent and the Registrar of 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) In the event that the Respondent fails to comply with the order (a) and (b) above, to change its name within 60 days, the Commissioner of Companies is directed in terms of Section 160(3)(b)(ii) read with section 14(2) of the Act, to record the Respondent's registered number followed by (Pty) Ltd as Respondent's interim company name on the company register.
- g) No order as to costs.

LUCIA GLASS

(MEMBER OF COMPANIES TRIBUNAL OF SOUTH AFRICA)

Dated this 16 March 2022