

IN THE COMPANIES TRIBUNAL OF THE REUBLIC OF SOUTH AFRICA

("The Tribunal")

CASE NO. CT00993ADJ2022

In the matter between:

Peermont Global (Pty) Ltd

Applicant

AND

Palace Emperors (Pty) Ltd

First Respondent

Registration No. 2019/382055/07

Companies and Intellectual Property Commission

Second Respondent

DECISION

[1] The applicant is Peermont Global (Pty) Ltd, a private company duly registered in terms of the company laws of the Republic of South Africa, with registration Number: 2006/006340/07, having its registered office at 64 Jones Road, Kempton Park, 1619¹

¹ Annexure FA2- Disclosure certificate

- [2] The first respondent is Palace Emperors (Pty) Ltd, a private company incorporated in terms of company laws of the Republic of South Africa, having its registered office at 508 Elawini Estate, Riverside, Nelspruit, Mpumalanga, 1200².
- [3] The second respondent is the Commissioner of the Companies and Intellectual Property Commission, appointed in terms of section 189 of the Act, cited in his capacity as the person responsible for the function of the Companies and Intellectual Property Commission (CIPC), established in terms of section 185 of the Act and with its offices situated at 77 Meintjies Street, the DTI Campus, Block F, Sunnyside, Pretoria.
- [4] This is an application for a default order, in terms of S.160 of the Companies Act ('the Act'), read with Regulation 153, for a determination that the first respondent's name; PALACE EMPERORS, offends the provisions of Section 11(2) of the Act as it incorporates the words "PALACE" and "EMPERORS" alongside one another, which is confusingly similar, if not identical, to the applicant's registered EMPEROR'S PALACE trade marks, and that use of the name is thus likely to falsely imply or suggest, or reasonably mislead a person to believe, incorrectly, that the Respondent is part of, or associated with, the applicant's business.
- [5] The applicant requests that the Tribunal grant the following relief:
- (i) directing that the first respondent change its name to one which does not incorporate the EMPEROR'S PALACE trade marks, or any other trade mark or word that is confusingly or deceptively similar thereto;

² Annexure FA3-Registration certificate

- (ii) in the event that the first respondent fails to comply with the order set out in (i) above within three (3) months from date of the order, directing the Companies Register, in terms of Section 160(3)(b)(ii) read with section 14(2) of the Act, to change the name of the first respondent to an alternative name not incorporating or confusingly similar to the applicant's EMPEROR'S PALACE trade marks; and
- (iii) granting the applicant further and /or alternative relief.

[6] The application for relief, in the form CTR142 with the accompanying affidavit deposed to by Jacques Johan Havenga, the applicant's Legal Administrator, duly authorized, was filed with the Tribunal on 31 March 2022. Shane Peter Moore, an attorney at Moore Attorneys, deposed to an affidavit in support of the application for default judgement. On 04 April 2022, the Deputy Sheriff for Mbombela (Nelspruit) served the application for relief, founding affidavit and annexures at 504 Elawini estate, Riverside, Mbombela, the place of residence or place of business of PALACE EMPERORS (Pty) Ltd, the first respondent, to a Mr. Dube David, the father to the director, not less than 16 years of age and apparently residing there. The application documents were also served upon the second respondent on the 01st April 2022 on its email address Corporatelegalservices@cipc.co.za and receipt of the application was acknowledged by the second respondent's Corporate Legal on the same day.

[7] The first respondent did not file an answering affidavit within twenty (20) business days (the twenty business days lapsed on 02 May 2022), following which, on 14 July 2022, the applicant applied for a default order in terms of regulation 153.

[8] The applicant has submitted that it is the proprietor of, *inter alia*, the following trade mark registrations in South Africa³:

- (i) Trade Mark registration No. 1998/46945 EMPEROR'S CLUB (THE) in class 41;
- (ii) Trade Mark registration No. 2000/17364 EMPEROR'S PALACE in class 35;
- (iii) Trade Mark registration No. 2000/17365 EMPEROR'S PALACE in class 41;
- (iv) Trade Mark registration No.2000/17366 EMPEROR'S PALACE in class 42 (and various other classes);
- (v) Trade Mark registration No. 2000/18693 EMPEROR'S COURT in class 41;
- (vi) Trade Mark registration No. 2000/18694 EMPERORS COURT in class 43;
- (vii) Trade Mark registration No. 2001/18691 EMPERORS FORUM in class41 (and various other classes);
- (viii) Trade Mark registration No. 2002/01806 and 01806 EMPEROR'S HAND in classes 28 and 35;
- (ix) Trade Mark registration No. 2004/19411 EMPEROR (THE) in class 35; and
- (x) Trade Mark registration No. 2004/23349 EMPEROR in class 41.

[9] The applicant further submitted that it also enjoys extensive common law rights in its EMPEROR'S PALACE trade marks and that the trade marks encompass a widely-recognized brand, and further that due to marketplace exposure of the trade marks,

³ Annexure FA4-extracts of the trade marks from the online SA register of trade marks

they have become well-known to members of the public within the relevant marketplace.

- [10]** The applicant submitted that it is an award-winning hospitality and entertainment company which operates twelve (12) properties located across South Africa and Botswana. It is renowned for its management, operation, hospitality and gaming facilities, and that one of the flagship locations is EMPEROR'S PALACE, a hotel Casino Convention and Entertainment Resort, which contains the four hotel facilities
- the five-star Peermont D'Oeale Grande at Emperor's Palace, which contains state-of-the-art facilities for guests looking for supreme comfort and lavish indulgence;
 - The four-star Peermont Mondior at Emperor's Palace, which contains 150 rooms;
 - The three-star Peermont Metcourt Suites at Emperor's Palace, which features 76 suites; and
 - the three-star Peermont Metcourt at Emperor's Palace, which contains 348 rooms ideal for corporate, convention and leisure guests.
- [11]** The applicant argued that the quality of goods or services provided, or intended to be provided, by the first respondent is likely to be attributed to the applicant, as a result of the confusingly similarity between the first respondent's company name and the EMPEROR'S PALACE trade marks, and has cited the decision of the Tribunal in RISING SUN TV AND RISING SUN TV (PTY) LTD (case No. CT012JUL2018) wherein the Tribunal made reference to Ewing t/s Buttercup Dairy Company v Buttercup Margarine Corporation Ltd 1917 (34)RPC at paragraph 5.1 on page 5, where the court held: *"It can be concluded that confusion and/or deception may arise from the*

side-by-side use of the applicant's and the respondent's name, which can lead to injury of the applicant's business, especially since it has no control whatsoever over the quality of services rendered by the respondent. The doctrine of imperfect recollection has been explained by our courts: there is a probability that a substantial number of people will be at least confused, if not deceived, given the fact that an individual does not have the two marks before him, side-by-side and that memory is often imperfect.". In this application, the applicant submitted that the likelihood of confusing similarity is not only established when the first respondent's name "PALACE EMPERORS" and the applicant's EMPEROR'S PALACE trade marks are placed side-by-side, but when having regard to the position of a person, who might at one time see or hear one of the trade marks and later possibly with an imperfect recollection of the mark, comes across the other mark, that person would consider the trade mark as confusingly similar. The applicant is concerned that this confusing similarity could injure the applicant's business, especially since it has no control whatsoever over the quality of goods offered or services rendered by the first respondent.

APPLICABLE LAW

[12] Section 160(1) of the Act provides:

" A person to whom a notice is delivered in terms of this Act with respect to an application for reservation of a name, registration of a defensive name, application to transfer the reservation of a name or the registration of a defensive name, or the registration of a company's name, 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, or the

reservation, registration or use of the name, or the transfer of any such reservation or registration of a name, satisfies the requirements of this Act (s11)."

[13] Section 160 (2)(b) further provides that "*an application in terms of subsection 1 above, may be made on good cause shown at any time after the date of reservation or registration of the name that is the subject of the application, in any other case*".

[14] Section 160(3) provides for the powers of the Tribunal where subsections (1) and (2) have been satisfied. It provides as follows:

"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, or the reservation, registration or use of the name, or the transfer of the reservation or registration of the name, satisfies the requirements of this Act (s.11); and*

(b) *May make an administrative order directing-*

(i) *The Commission to-*

(cc) cancel the reservation of a name, or the registration of a defensive name.

(ii) a company to choose a new name and file a notice of 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."

[15] The Tribunal is therefore tasked with considering this application and satisfying itself that it complies with the requirements of s. 11 (2), particularly Section 11(2)(b)(iii) and (c)(i) of the Act.

"The name of a company must-

(b) Not be confusingly similar to a name, trade mark, mark, word or expression contemplated in paragraph (a) unless-

(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 authorized by the registered owner to use it;

(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.

EVALUATION

[16] To address the issue whether "good cause" has been shown that the Tribunal can consider and decide upon the merits of this case, I make reference to the Highly Nutritious decision⁴ wherein Twala J. stated: "*Section 160(2)(b) allows any person*

⁴ Highly Nutritious Food Company (Pty) Ltd v Companies Tribunal and Others, High Court, Gauteng Local Division, Case No. 91718/2016

and at any time to bring an application on good cause shown. This does not refer only to the delay in bringing the application but to show good cause as to why the application must be entertained. the section requires the Applicant to furnish a reasonable explanation as to why the application should be entertained by the Tribunal. It does not require an explanation only as to the delay in bringing the application but refer to the merits of the application as well. It is section 160(1) that prescribes, for a particular category of persons, to launch an application within a period of three (3) months after they became aware of the registration of the name".

The applicant submitted that it was its attorneys that first located the first respondent's name on the Companies Register in March 2021 and started communicating with the first respondent by sending a letter of demand, and subsequently when no response was forthcoming, made attempts to engage the director of the first respondent telephonically, who responded with hostility and signaling his intention not to voluntarily change the company name and indicated that the applicant could take him to court, leading to the current application with the tribunal. I am satisfied that the application was filed within a reasonable time after making attempts to resolve the matter with the first respondent's director. The applicant has further established good cause, in its endeavor to protect its extensive statutory and common law rights in the various EMPEROR'S PALACE trade marks, that there is merit to the Tribunal entertaining this application. I have considered the submissions by the applicant and the extent to which it has built up its goodwill around the EMPEROR'S PALACE trade marks and brand, its extensive exposure to the South African marketplace as an entertainment, gaming, convention and luxury accommodation destination, and that indeed the existence of the confusingly similar

name of the first respondent, PALACE EMPERORS, creates significant reputational and financial risk upon the well-established trade mark, as members of the public can easily be misled, through imperfect recollection, as argued by the applicant above, into thinking that the first respondent is part of, or is associated with the applicant, which it is not, thereby injuring the applicant's business. This is further complicated by the fact that the applicant has no control whatsoever over the quality of goods offered or services rendered by the first respondent, as it is not part of the EMPEROR'S PALACE businesses and brand.

FINDINGS

[17] The name of the first respondent, PALACE EMPERORS, does not satisfy the requirements of section 11(2)(b) and (c) of the Act, is confusingly similar to the applicant's EMPEROR'S PALACE registered trade marks ,and may reasonably mislead members of the public to believe incorrectly, that the first respondent is part of, or is associated with the applicant.

ORDER

It is therefore ordered that:

1. the first respondent is directed to choose a new name which does not consist of, or incorporate, the applicant's EMPEROR'S PALACE trade mark, or any other name which is confusingly and/ or deceptively similar to the applicant's name and trade mark;
2. the first respondent file with the CIPC, a notice of amendment of its Memorandum of Incorporation within 90 days from date of this order; and

3. should the first respondent fail to comply with (1) and (2) above, the second respondent is ordered to substitute the first respondent's registration number in the place of PALACE EMPERORS, followed by (Pty) Ltd.

B. Zulu

Member: Companies Tribunal

29 July 2022