



IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case Number: CT00924/ADJ/2022

In the matter between:

SUN INTERNATIONAL (SOUTH AFRICA) LTD

Applicant

and

**TIMES SQUARE BALLITO (PTY) LTD
(Reg. Nr. 2020/630641/07)**

First Respondent

THE COMMISSIONER OF COMPANIES

Second Respondent

and

Case Number: CT00925/ADJ/2022

In the matter between:

SUN INTERNATIONAL (SOUTH AFRICA) LTD

Applicant

and

**TIMES SQUARE PMB (PTY) LTD
(Reg. Nr. 2020/630678/07)**

First Respondent

THE COMMISSIONER OF COMPANIES

Second Respondent

and

Case Number: CT00926/ADJ/2022

In the matter between:

SUN INTERNATIONAL (SOUTH AFRICA) LTD

Applicant

and

TIMES SQUARE CAPE (PTY) LTD

(Reg. Nr. 2020/633825/07)

First Respondent

THE COMMISSIONER OF COMPANIES

Second Respondent

Coram: ISHARA BODASING

Date of Hearing: 12 September 2022

Date of Decision: 18 September 2022

DECISION (Reasons and an Order)

1. INTRODUCTION

1.1. The three company name objections before this Tribunal, issued under case numbers CT00924/ADJ/2022, CT00925/ADJ/2022 and CT00926/ADJ/2022, involved the same Applicant. The director of all three First Respondents is the same person: Mr Pragasen Naidoo. The parties' respective rights to relief depended on a determination of substantially the same questions of law and facts; hence all three matters were set down to be heard together.¹

¹ The reference to "First Respondents" below is reference to all of the First Respondents in the different objections collectively.

- 1.2. Applicant is Sun International (South Africa) Limited, a company duly incorporated in accordance with the company laws of South Africa, with their registered address at 6 Sandown Valley Crescent, Sandown, Sandton, 2146.
- 1.3. First Respondents are companies duly incorporated in accordance with the company laws of South Africa, and having their registered address at 10 Balance Road, Windermere, Durban, KZN.
- 1.4. Second Respondent is the Commissioner of Companies appointed in terms of section 189 of the Companies Act 71 of 2008 (“the Act”), responsible for the functioning of the Companies and Intellectual Property Commission (CIPC), which includes the registration of companies in terms of the Act.
- 1.5. This is an application for a determination order:
 - a. that First Respondents’ names do not satisfy the requirements of section 11(2) of the Act, and
 - b. that First Respondents be directed to choose new names as provided for in terms of section 160 of the Act.

2. BACKGROUND

- 2.1. Applicant is a well-established and renowned owner of a chain of resorts, hotels and casinos, that operate under various names. One of these is the Time Square casino, which opened during April 2017 in Menlyn, Pretoria. During 2013, Applicant began using the name of its new venture (Time Square) and applied to register the trademark Time Square in classes 41² and 43.³ The trademark was registered on 27 March 2015.⁴
- 2.2. First Respondents opposed the applications mainly on the grounds that their names are not the same as or confusingly similar to Applicant’s trademark.

² Education, providing training, entertainment, sporting and cultural activities.

³ Services for providing food and drink, temporary accommodation.

⁴ Applicant’s trademark registration certificates were attached as annexures to the Founding Affidavits.

2.3. Although the matter was set for a hearing, there was no representative for the Respondents on 12 September 2022. I therefore decided on that day to adjudicate the matter on the papers before me.

3. ISSUES

3.1 Applicant claims widespread and extensive use of its registered trademark TIME SQUARE since 2013. Mr Ruben Gooranah, Applicant's General Manager goes into much detail in his founding affidavit to describe the substantial goodwill and reputation that the Applicant has built in its trademark, through social media, print advertising, and the hosting of large events. Therefore, argues Applicant, it has acquired a substantial reputation and strong common law rights in the mark, in addition to its statutory rights.

3.2 Applicant contends that the dominant and memorable part of First Respondents' company names is confusingly and deceptively similar to Applicant's registered trademark "Time Square" and is in contravention of Section 11(2) of the Act. Applicant has underscored the prejudice it will suffer if denied relief, especially as it does not have control over the quality of products or services of First Respondents.

3.3 First Respondents contend that a third party, Dick Whittington Shoes (Pty), had registered trademark no. 1980/01020 TIMES SQUARE in class 25 in 1980, prior to Applicant's application for registration in classes 41 and 43; therefore this dilutes the Applicant's claim to the name TIME SQUARE.

3.4 First Respondents also contend that there are many other TIMES SQUARE companies on the Register of Companies, and that the use of the mark is commonplace.

3.5 The crisp issue before this Tribunal is for it to make a determination on competing rights in respect of a trademark and a company name. Which one should prevail in case of a conflict between the two? This is essentially the main issue to be determined in this application, and the rest are only ancillary issues.

4. APPLICABLE LAW

4.1 Section 11 of the Act provides as follows: “Criteria for names of companies.

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- (1)
- (2) *The name of a company must— (a) not be the same as—*
- ... (iii) a registered trademark 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 trademark or a well-known trademark as contemplated in section 35 of the Trademarks 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;
- ...
- (b) not be confusingly similar to a name, trademark, 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; ...*
- (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;”*

4.2 Section 160 of the Act deals with **disputes concerning reservation or registration of company names** and enunciates the jurisdiction of the Companies Tribunal as follows:

- (1) *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.***

- (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, 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; and*
- (b) *may make an administrative order directing-*
- (i) *the Commission to*
- (aa) *reserve a contested name, or register a particular defensive name that had been contested, for the applicant;*
- (bb) *register a name or amended name that had been contested as the name of a company;*
- (cc) *cancel the reservation of a name, or the registration of a defensive name; or*
- (dd) *transfer, or cancel the transfer of, the reservation of a name, or the registration of a defensive name; 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.”*

5. EVALUATION

- 5.1 As mentioned earlier, this is a case of a registered trademark versus a registered company name. Section 11(2) of the Act brought statutory certainty

with regard to company names vis-à-vis trademarks. The Act finally asserted the existence of remedies regarding company names vis-a-vis trademarks from the general sphere of the law of trademarks, trade names or passing off back into the realm of company law.

5.2 There is a similarity between the Respondents company names, Times Square Ballito, (Pty) Ltd, Times Square PMB (Pty) Ltd and Times Square Cape (Pty) Ltd and the Applicant's TIME SQUARE trademark. The addition of the "S" doesn't distinguish the First Respondents' names from the TIME SQUARE trademark. When the words of Applicant's trademark are spoken out, they sound the same as First Respondents' names, thus invoking the application of S11(2)(a)(iii) of the Act.

74. I agree with Applicant's submission that in each of the objections, the dominant and memorable feature of the First Respondents' respective names, is TIMES SQUARE, which is visually, aurally and conceptually identical to the Applicant's registered TIME SQUARE trademark. The words "*Ballito*", "*Cape*" and "*PMB*" are non-distinctive and merely indicate the geographical location of the various businesses.

5.3 "Similar" in section 11(2)(b) of the Act would be "having a marked resemblance or likeness" and that the offending name should immediately bring to mind the well-known trade mark or other name.⁵ The test for "confusingly similar" is, as in the case of passing-off: "... 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 light of the particular circumstances of the case."⁶

⁵ Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA)

⁶ Adidas AG & another v Pepkor Retail Limited (187/12) [2013] ZASCA 3 (28 February 2013) para 28; Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc. and Others 1977 (2) SA 916 (A) at 929

- 5.4 “Confusingly similar” in Section 11(2)(b) has to be examined carefully to determine if this is in fact so *in casu*. In considering case law on the concept, it must be as alike in a manner that will confuse the “ordinary reasonable careful man, i.e. not the very careful man nor the very careless man.”⁷ The “reasonable man” has been further qualified: “A rule of long standing requires that the class of persons who are likely to be the purchasers of the goods in question must be taken into account in determining whether there is a likelihood of confusion or deception.”⁸
- 5.5 In line with what was stated in **Ewing t/a The Buttercup Dairy Company v Buttercup Margarine Corporation Ltd 1917 (34) RPC at 232 and 238**, it can be concluded that confusion and/or deception may arise from the side-by-side use of the trade mark and the First 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 First Respondent. The doctrine of imperfect recollection has been explained by our courts⁹: 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.
- 5.6 In **Cowbell AG v ICS Holdings 2001 (3) SA 941 (SCA)**, 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.”
- 5.7 In the case of **Polaris Capital (Pty) Ltd v The Registrar of Companies and Polaris Capital Management Inc.** (unreported judgment, Case No. 11607/2005, CPD), the learned judge commented on undesirability in terms of Section 45 (2) of the 1973 Companies Act: “It is submitted that by allowing the

⁷ Link Estates (Pty) Ltd v Rink Estates (Pty) Ltd 1979 (2) SA 276 (E) at 280

⁸ Reckitt & Colman SA (Pty) Ltd v SC Johnson & Son SA (Pty) Ltd 1993 (2) SA 307 (A) at 315F-G

⁹ Standard Bank of South Africa Limited v United Bank Limited & Another 1991 (4) SA 780 (T) 8011 to 802B

close corporation's name to remain on the register, in addition to causing deception and confusion, its registration will hinder the registrar's role in maintaining and promoting good governance and administration of corporate entities in the interest of the general public." Thus, permitting the First Respondents to keep the name 'Times Square' in their company names will create confusion and hinder the Registrar from maintaining and promoting good governance and administration of a corporate entity in the interest of the general public. It is evident therefore that the name 'Times Square' as incorporated in the First Respondents' company names falls within the ambit of Section 11(2) as argued by Applicant.

5.8 Finally, I am mindful of the order handed down by Mbongwe, J. in the matter of **Comair Ltd v Kulula South Africa**¹⁰ wherein it was declared that this Tribunal is empowered to make an administrative order directing Second Respondent to change the name of a company to its registration number, if First Respondents fail to change their names within a certain period as ordered.

6. FINDINGS

6.1 Based on a conspectus of the evidence before me, I find that the balance of convenience favours the Applicant.

6.2 Applicant has shown that First Respondents have transgressed the provisions of Sections 11(2) of the Act. Hence it is entitled to an order as claimed in terms of Section 160 of the Act.

6.3 The Applicant's applications are granted as set out below.

7. ORDER

7.1 An administrative order is made in terms of Section 160(3)(b)(ii) that First

¹⁰ Comair Ltd v Kulula South Africa (Pty) Ltd (unreported) High Court of South Africa, Gauteng Division, Pretoria, Case Nr: 65895/2019

Respondents change their names to ones which do not incorporate the words 'Times Square' as it is in contravention of Sections 11(2) of the Act.

- 7.2 This order must be served on the Respondents by the Tribunal's Recording Officer (Registrar).
- 7.3 First Respondents are hereby ordered to change their names within 30 (thirty) calendar days of date of receipt of this order and to file a notice of amendment of their Memoranda of Incorporation.
- 7.4 First Respondents are hereby exempted from the requirement to pay the prescribed fee for filing its notice of amendment.
- 7.5 Since the First Respondents are profit companies, in accordance with Section 11(1)(b) and (3)(a) of the Act, they can use their registration numbers as their company names immediately followed by the expression "South Africa", should they not be in a position to use another name.
- 7.6 The Second Respondent is directed to change First Respondents' names to their registration numbers, if First Respondents fail to change their names within 30 days of receipt of this order.
- 7.7 First Respondents are directed to pay Applicant's costs in terms of Regulation 156 of the Act, the one paying the other to be absolved.

ADV. ISHARA BODASING