IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case No: CT01499ADJ2023

In the matter between:

AFRICAN RAINBOW MINERALS LIMITED **APPLICANT**

and

AFRICAN RAINBOW MANUFACTURING (PTY) LTD **FIRST RESPONDENT**

COMMISSIONER OF COMPANIES **SECOND RESPONDENT**

Presiding Member of the Companies Tribunal: Joshua Kadish
Date of Decision: 11 December 2023

DECISION (Reasons and an Order)

INTRODUCTION

1. The Applicant is **AFRICAN RAINBOW MINERALS LIMITED,** a company duly incorporated in terms of the company laws of South Africa, with registration number 1933/004580/06, and its registered address at 29 Impala Road, Chislehurston, Gauteng, 2196.

2. The First Respondent is **AFRICAN RAINBOW MANUFACTURING (PTY) LTD,** a company duly incorporated in terms of the company laws of South Africa, with registration number 2013/085611/07, and its registered address at Unit 4, 85 Grabler Street, Makhado, Limpopo, 0920.

3. The Second Respondent is the Commissioner of Companies appointed in terms of s189 of the Companies Act 71 of 2008 ("the Act"). The Second Respondent is cited in his official capacity as the person responsible for the function of the Companies and Intellectual Property Commission ("CIPC"), such as the registration of companies based on the Act.

4. This is an application for a determination order declaring that:

   a. The First Respondent's name does not satisfy the requirements of s11(2) of the Act; and

   b. The First Respondent be directed to choose a new name as provided for in terms of s160(3) of the Act.

BACKGROUND

5. On 13 September 2023, an application to this Tribunal for the abovementioned relief was filed and stamped by this Tribunal. Upon receiving the date stamped Form CTR142 from this Tribunal, Adams & Adams (who are the Applicant's legal representatives) served a copy of the application for relief on the First Respondent electronically to the email address of the First Respondent.[1] Further, on 18 September 2023, the Sheriff of Makhado attempted to serve a copy of the application for relief on the First Respondent's registered address.[2] It is apparent from the thread of email correspondence that the First Respondent did indeed

[1] Annexure DLM3 to the main application: Copy of the email correspondence addressed by Adams & Adams to the First Respondent.
[2] Annexure DLM2 to the main application: Copy of the Sheriff's return of service.

receive sufficient service of the application and was aware of such as is clear from the response “Go to high court …”..[3]

6. The First Respondent did not file an answering affidavit within 20 business days, following which, the Applicant applied for a default order in terms of Regulation 153 of the Companies Regulations (“the Regulations”) by filing a Form CTR 145 with this Tribunal dated 31 October 2023.[4]

7. The deponent of the Founding Affidavit filed in support of the application is Lucas Moalusi, a Group Executive: Legal of the Applicant and duly authorised representative of the Applicant. Debra Louise Marriott, a practising attorney representing Adams & Adams, who are the Applicant’s legal representatives, deposed to an affidavit in support of the application for default judgment.

ISSUES

8. The Applicant requests this Tribunal to make a finding that the First Respondent’s name does not satisfy the requirements of s11(2) of the Act. It submits that the inclusion of the word “AFRICAN RAINBOW” in the First Respondent’s name infringes its registered trademarks.

9. The Applicant claims common law and statutory rights to the words “AFRICAN RAINBOW” given its widespread and extensive use in South Africa, and its use of the “AFRICAN RAINBOW” and “AFRICAN RAINBOW MINERALS” trademarks in various fields. The Applicant is a leading diversified mining and minerals company with operations in South Africa and Malaysia. The Applicant and its predecessors' collective history in South Africa dates back to around 1933 and it currently operates mines in the Northern Cape, Limpopo, Mpumalanga, Kwa-Zulu Natal and Malaysia. The Applicant's workforce consists of thousands of employees and contractors, and it is profiled in both local and international publications.

[3] Annexures DLM 4-6 to the main application: Copy of the email correspondence between Adams & Adams and the director of the First Respondent.
[4] GN R351 in GG 34239 of 26 April 2011.

10. The Applicant submits that the dominant and memorable part of the First Respondent's name is identical to the Applicant's trademark "AFRICAN RAINBOW", and that the remaining portion of the First Respondent's name "MANUFACTURING" does not serve to distinguish it.

11. The Applicant also contends that the offending name "AFRICAN RAINBOW MANUFACTURING" is confusingly similar to its trademarks in "AFRICAN RAINBOW" and "AFRICAN RAINBOW MINERALS" in various classes and is likely to cause confusion to members of the public who are likely to believe that the First Respondent is a supplier of goods or services to the Applicant or otherwise affiliated or associated with the Applicant.

APPLICABLE LAW

12. **Section 11** of the Act provides as follows:

"11. **Criteria for names of companies.** —

(1) ....

(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;

...

(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;"

13. **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."

14. **Companies Regulation 153** of 2011 provides for default orders:

(1) If a person served with an initiating document has not filed a response within the prescribed period, the initiating party may apply to have the order, as applied for, issued against that person by the Tribunal."

EVALUATION

15. I am satisfied that the Applicant has made out a case for the main application to be considered on a default basis and proceed to deal with the merits of the case.

16. "Similar" in section 11(2)(b) 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

17. "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]

18. 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 the Respondent. The doctrine of imperfect recollection has been explained by our courts[9]: 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 **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."

19. It can therefore also be concluded that the words "AFRICAN RAINBOW" in the First Respondent's name will reasonably mislead the reasonable person to believe incorrectly that there is an association with the Applicant's "AFRICAN RAINBOW" and "AFRICAN RAINBOW MINERALS" trademarks.

20. In the case of **Polaris Capital (Pty) Ltd v The Registrar of Companies and Polaris Capital Management Inc.** (unreported judgment, Case No. 11607/2005,

[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

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 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."

21. Thus, permitting the First Respondent to keep the name "AFRICAN RAINBOW" in its company name 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 "AFRICAN RAINBOW" as incorporated in the First Respondent's company name falls within the ambit of Section 11(2) as argued.

22. 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 the Second Respondent to change the name of a company to its registration number, if the First Respondent fails to change its name within a certain period as ordered.

FINDINGS

23. I find that the balance of convenience favours the Applicant.

24. The Applicant has shown that the First Respondent has transgressed Sections 11(2)(b) and (c): its name is confusingly similar and falsely implies, or could reasonably mislead a person to believe incorrectly, that the First Respondent is part of, or associated with the Applicant. Hence it is entitled to an order as claimed in terms of Section 160 of the Act.

25. The Applicant's application is granted as set out below.

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

ORDER

26. An administrative order is made in terms of Section 160(3)(b)(ii) that the First Respondent change its name to one which does not incorporate the words “AFRICAN RAINBOW” as it is in contravention of Sections 11(2)(b)(iii) and (c)(i) of the Act.

27. This order must be served on the Respondents by the Tribunal’s Recording Officer (Registrar).

28. The First Respondent is hereby ordered to change its name within 60 (calendar) days of date of receipt of this order and to file a notice of amendment of its Memorandum of Incorporation.

29. There is no order of costs against the First Respondent, as the matter has not been opposed.

30. Since the First Respondent is a profit company, in accordance with Section 11(1)(b) and (3)(a) of the Act, it can use its registration number as its company name immediately followed by the expression “South Africa”, should it not be in a position to use another name.

31. The Second Respondent is directed to change the First Respondent’s name to its registration number, if the First Respondent fails to change its name within 60 days of receipt of this order.

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JOSHUA KADISH

Tribunal Member