



COMPANIES TRIBUNAL OF SOUTH AFRICA

Case/File Number: CT00148/ADJ/2019

In the matter between:

TSOGO SUN (PTY) LIMITED

Applicant

and

TSOGO MAGIFIX (PTY) LIMITED

First Respondent

(2014/063119/07)

THE COMMISSIONER OF COMPANIES

Second Respondent

Presiding Member : Khashane La M. Manamela (Mr.),

Date of Decision : 05 December 2019

DECISION (Reasons and an Order)

Khashane La M. Manamela

Introduction

[1] The applicant, Tsogo Sun (Pty) Limited, is a South African private company headquartered at Montecasino Boulevard, Fourways, Johannesburg. The applicant is well-known for conducting business in the hotel, gaming and entertainment sector(s). In this application the applicant complains that the first respondent's name, Tsogo Magifix (Pty) Ltd contravenes the provisions of section 11(2) of the Companies Act 71 of 2008 (the Companies Act) in respect of the applicant's trade mark "TSOGO SUN".

[2] The applicant submits that the first respondent's name "TSOGO MAGIFIX" is the same as and is confusingly similar to its trade mark "TSOGO SUN", and further that the first respondent's name falsely implies or suggests or is such as would reasonably mislead a person to believe incorrectly that the first respondent is part of or associated with the applicant.¹ The applicant's case is premised on sections 11(2)(a)(iii); 11(2)(b)(i) and 11(2)(c)(i) of the Companies Act.²

[3] Both the first respondent and the Companies and Intellectual Property Commission (the CIPC), the second respondent herein (uniquely cited as the Commissioner of Companies), are not opposing this application. The application was served on the first respondent by the sheriff on 19 September 2019 at the first respondent's registered office address.³ There is no proof of service of the application on

¹ The latter part of the applicant's case is not reflected in both the notice of motion or Form CTR 145 to the request for default order on indexed p 1 and the notice of motion or Form CTR 142 to the application (main) on indexed p 10, but is only alluded to in paragraph 7.4 of the supporting affidavit on indexed p 22.

² See par 8 below for a reading of section 11(2) of the Companies Act in the material part.

³ See annexure "DTH3" to the affidavit in support of application for default order on indexed p 11.

the CIPC, the second respondent herein. But due to the nature of the order I will be making herein, I will nevertheless proceed to deal with the merits of the matter in terms of the request for default order filed on behalf of the applicant. I adopt this approach, quite mindful of the fact that the applicant also seeks an order directing the second respondent to change the first respondent's name to the latter's registration number, in the event the first respondent fails to implement a contemporaneous order for a change of its name within the prescribed timeframes.

Applicant's case

[4] Essentially the applicant submits that the first respondent's name contravenes sections 11(2)(a)(iii); 11(2)(b)(i) and 11(2)(c)(i) of the Companies Act in respect of the applicant's trade mark "TSOGO SUN".

[5] But on the applicant's own version, the applicant's trade mark's representation comprises primarily a logo or mark and the words "TSOGO SUN" in a distinctive font.⁴ The reason for vividly mentioning these aspects will become clearer below.

[6] The applicant's case, in my view, is accurately captured in the following paragraphs from the applicant's supporting affidavit:

"7.1 The dominant feature of the Respondent's name is "TSOGO", which is identical to the dominant portion of the Applicant's registered TSOGO SUN trade mark. The remaining portion, namely MAGIFIX, is non-distinctive. Therefore, the

⁴ See pars 5.1.1-5.1.6 of the supporting affidavit to the application on indexed pp 16-19.

Respondent's name is confusingly and /or deceptively similar, to the Applicant's TSOGO SUN mark.

- 7.2 The use of the Respondent's name amounts to trade mark infringement in terms of Section 34(1)(a) of the Trade Marks Act in that the Respondent is using or proposes to use, in the course of trade and in relation to the goods or services in respect of which the Applicant's TSOGO SUN mark is registered, a name or mark so nearly resembling the Applicant's trade mark, is likely to deceive and/or cause confusion.
- 7.3 Alternatively, the use of the Respondent's name in trade amounts to the use of a name that is confusingly and/or deceptively similar to the Applicant's registered trade mark in relation to goods or services that are so similar to those in respect of which the TSOGO SUN trade mark is registered that, in such use, deception or confusion is likely to arise. Therefore, use of the Respondent's name in the trade amounts to the trade mark infringement in terms of Section 34(1)(b) of the Trade Mark Act.
- 7.4 The Respondent's name is therefore, also contrary to the provisions of Sections 11(2)(a)(iii), 11(2)(b)(i) and 11(2)(c) of the Companies Act in that it is confusingly similar to a trade mark belonging to the Applicant and in that it would reasonably mislead a person to believe incorrectly that the Respondent is part of or associated with the Applicant.

8.

This Tribunal has in the past enforced the Applicant's same trade mark registrations by ordering the company Tsogo Solutions (Pty) Limited to change its name. A copy of the decision, dated 21 January 2019 and issued by B. Zulu, is annexed ..."⁵

⁵ See pars 7.1-8 of the supporting affidavit to the application on indexed pp 21-22.

[7] From the context of the matter, I understand the references to the respondent (bearing in mind that two respondents are cited) in the above quotation and elsewhere in the applicant's papers to be to the first respondent. I proceed to consider the applicant's case against applicable legal principles.

Applicant's case and the applicable legal principles

[8] As already stated above, the applicant's case is that the first respondent's name contravenes sections 11(2)(a)(iii); 11(2)(b)(i) and 11(2)(c)(i) of the Companies Act in respect of the applicant's trade mark, TSOGO SUN. These provisions read in the material part:

“(2) The name of a company must-

- (a) not be the same as -
 - (i) ...
 - (ii) ...;
 - (iii) a registered trade mark belonging to a person other than the company ... or a well-known trademark 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) ...
- (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 ...
 - (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 ...”

[9] Essentially the applicant's attack on the first respondent's name TSOGO MAGIFIX is three-fold: firstly, that the name is the same as its registered trade mark

TSOGO SUN;⁶ secondly, that the first respondent's name is confusingly similar to the applicant's trade mark,⁷ and, thirdly that the first respondent's name falsely implies or suggests or is such as would reasonably mislead a person to believe incorrectly that the first respondent is part of or associated with the applicant.⁸ I deal next with these issues under self-explanatory subheadings.

First respondent's name is the same as the applicant's trade mark

[10] According to the applicant the first respondent's company name "TSOGO MAGIFIX" is the same as its trade mark, "TSOGO SUN". This is in terms of the applicant's reliance on section 11(2)(a)(iii) of the Companies Act.

[11] But this provision or the Companies Act itself does not explain what is meant by phrase or words "the same as" in section 11(2)(a). The learned author of *Henochsberg on the Companies Act 71 of 2008*⁹ authoritatively say that for "a name to be the same (subs (2) (a)), it must be identical rather than 'similar to'".¹⁰ This accords with the meaning of the word "same" given by the *Compact Oxford Dictionary Thesaurus & Wordpower Guide*:¹¹ ". **adj. 1 (the same)** exactly alike. **pron. 1 ... 2 (the same)** identical people or things ..."¹²

⁶ See section 11(2)(a)(iii) of the Companies Act. See par 8 above for a reading of this provision.

⁷ See section 11(2)(b)(i) of the Companies Act. See par 8 above for a reading of this provision.

⁸ See section 11(2)(c)(i) of the Companies Act. See par 8 above for a reading of this provision.

⁹ Delport P *Henochsberg on the Companies Act 71 of 2008* (LexisNexis online version, last updated in September 2019).

¹⁰ See *Henochsberg on the Companies Act 71 of 2008* at p 58(1).

¹¹ *Compact Oxford Dictionary Thesaurus & Wordpower Guide* (Oxford University Press Oxford 2001).

¹² See *Compact Oxford Dictionary* at p 793.

[12] I understand the above to mean that for the applicant to correctly rely on section 11(2)(a)(iii) the first respondent's name "TSOGO MAGIFIX" ought to be the same as its trade mark, "TSOGO SUN". This is clearly not the case. The word "SUN" in the applicant's trade mark and the word "MAGIFIX" in the first respondent's name dispenses of any notion or possibility of the two being "identical", "exactly alike" or, as stated in section 11(2)(a)(iii), "the same as". I, with respect, reiterate what the learned author of *Henochsberg on the Companies Act 71 of 2008* said above that section 11(2)(a) is not about an instance of two things being 'similar to' each other", but identical to each other.¹³ "TSOGO MAGIFIX" is clearly not the same as "TSOGO SUN". Therefore, the applicant's case on this leg fails.

Confusing similarity

[13] The second leg of the applicant's case is that the first respondent's name is confusingly similar to its trade mark. As already indicated, in terms of available registration information the representation of the applicant's trade mark "TSOGO SUN" comprises primarily a logo or mark and the words "TSOGO SUN" in a distinctive font.¹⁴ The representation does not include simply the words "TSOGO SUN", but the words in the form of a distinctive font or mark, which denotes where the intellectual property or its protection is located. But it is not necessary to delve any deeper into this.

¹³ See par 11 above and further *Henochsberg on the Companies Act 71 of 2008* at p 58(1).

¹⁴ See pars 5.1.1-5.1.6 of the supporting affidavit to the application on indexed pp 16-19.

[14] It is significant for a determination to be made here that the name of the first respondent sole director is TSOGO LUCAS OTSWELENG.¹⁵ Therefore “TSOGO” is the first respondent’s sole director’s (probably incorporator’s) first name. This, in my view, has a bearing on the determination to be made here. For it clearly points to the source of the first respondent’s conceptualization of its name.

[15] The following *dicta* from the decision of *Brian Boswell Circus (Pty) Ltd & Another v Boswell Wilkie Circus (Pty) Ltd*¹⁶ contain some useful highlights:

“In the present case the name adopted by appellants for their circus business is second appellant’s own name, Brian Boswell. Assuming for the moment that the adoption of this name is likely to cause deception and/or confusion, the question which arises is whether the second appellant and his *alter ego*, first appellant, are not entitled willy-nilly to trade under that name. Generally, the Courts in this and other countries have shown a reluctance to prevent a [person] trading under his [or her] own name. In England this reluctance is evident in many of the decisions referred to by the Court *a quo* ... In the United States of America the right of a [person] to do business under his [or her] own name has been described as “one of the sacred rights known to the law” and as “part of the natural and inalienable rights guaranteed by the very first clause of our Constitution” ... And, in [*Policansky Bros Ltd v L and H Policansky* 1935 AD 8], WESSELS CJ stated it as a cardinal principle that (at p 101)-

¹⁵ See annexure “GT2” (i.e. a disclosure certificate issued by the second respondent) to the supporting affidavit to the application on indexed p 27.

¹⁶ *Brian Boswell Circus (Pty) Ltd & Another v Boswell Wilkie Circus (Pty) Ltd*. (82/85) [1985] ZASCA 64; [1985] 2 All SA 512 (A) (22 August 1985).

‘A person has a property right or a quasi-property right to the use and enjoyment of his [or her] own family name as well in carrying on a business and selling his [or her] goods as he [or she] has to any other species of property . . . Consequently every person has *a prima facie* right honestly to use his [or her] own name in his [or her] own business and to sell his [or her] goods under his [or her] own name, and any injury resulting therefrom is a *damnum absque injuria*.’¹⁷

[quoted without some of the accompanying references]

[16] There are some limitations applicable to the use of own name.¹⁸ Further, the esteemed Registrar of Patents, Designs, Trade Marks and Companies in 1968 further explained that “*a surname simpliciter, i.e. a surname not qualified either by the first names or initials, or by other descriptive wording, would be refused, as it is not the practice to allow a monopoly in a surname*”.¹⁹

¹⁷ *Brian Boswell Circus v Boswell Wilkie Circus* at pp 515-516.

¹⁸ See *Brian Boswell Circus v Boswell Wilkie Circus* (at pp 516-517) whereat it is stated that: “[t]here are, however, limitations upon the right of a person to trade under his own name. These were stated by WESSELS CJ in the *Policansky* case as follows (at pp 103-4); ‘(a) If he has contracted not to do so. (b) If the business is started for the fraudulent purpose of imitating another’s goods and so filching his trade ... (c) If the defendant has garnished the use of another’s name by imitating the get-up of the latter’s goods ..., or by imitating his labels, etc., so as to deceive ... (d) If a person has previously through his advertisements and through the quality of his goods made his name valuable as a trade name so that his name has become distinctive both of his goods and of himself as the manufacturer of those goods, and if his goods have come to be universally known in the market by his name then his name is said to have obtained a secondary meaning. When this is the case another person cannot use that name in connection with a similar class of goods unless he makes it perfectly clear to the public that he is not selling the goods of the original manufacturer - ‘for the plaintiff by the reputation he has acquired in the business has really come to denote the goods by his own personal name just as he might denote them by some fancy name that he might choose to use’ ... (e) If it is manifest from the advertisements, the get-up of the articles, or other acts of the later manufacturer that he is representing that the goods are the goods of the earlier manufacturer, then it does not matter whether he is doing so with a deliberate intention to deceive or not. He must not carry on his business in such a way as to lead those who deal with him in that business to believe that they are buying goods of the earlier manufacturer of the same name...’” [quoted without accompanying footnotes]

¹⁹ Schoeman T *Company Names*, 1968 *Tydskrif vir Hedendaagse Romeins-Hollandse Reg* 346.

[17] I am mindful of the fact that the authorities referred to immediately above are from the eras of the Companies Act 46 of 1926 and the Companies Act 61 of 1973. Obviously, these pieces of legislation preceded the Companies Act (71 of 2008). But the guidance in these authorities cannot be ignored, for it transcends those eras. The message is clear a person has the right to use of his or her surname, against the stated limitations. I venture that same is applicable to the use of a first name, like in this matter (with TSOGO, the first name of the first respondent’s director).

[18] But the so-called limitations in protection of surnames is not necessarily unique and do not detract from the essence of the message in the authorities. In my view it correlate with the limitation given to the protection in respect of “an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word”.²⁰ Other than being a first name, the word “TSOGO” is an ordinary word.²¹ In my view, this explains why the applicant’s trade mark is registered as “TSOGO SUN” and not just “TSOGO”. For the registration of a trade mark over the latter would have granted the applicant monopoly in the use of the word “TSOGO”, a right which is currently asserted by the applicant.

²⁰ See Webster GC *et al* South African Law of Trade Marks (LexisNexis online version updated October 2018) at p 58(2). See also, in respect of confusion and ordinary words in everyday use *Better Homes Expo (Pty) Ltd v Consep Home Ideas (Pty) Ltd and Others* GLJHC (07 February 2019); [2019] JOL 41181 (GJ) at par [11].

²¹ The word “tsogo” is, among others, explained as “resurrection” as in the biblical resurrection of the dead. <https://nso.oxforddictionaries.com/translate/northernsotho-english/tsogo>, accessed on 05 December 2019.

[19] But the applicant's case in this regard can be decided on another basis. The inclusion of the word "SUN" in the applicant's trade mark "TSOGO SUN" and of the word "MAGIFIX" in the first respondent's name sufficiently distinguishes the two contending elements from each other. In my view, there is no room for confusing similarity between the two. This disposes of this leg of the applicant's case.

Incorrect belief that the first respondent is part of or associated with the applicant

[20] The last leg of the applicant's case is premised on the assertion that the first respondent wants to pass off its business (either services or products) as those of the applicant and, thereby, the first respondent fell afoul of the provisions of section 11(2)(c)(i) of the Companies Act. This leg is based on the delict of passing off in terms of the common law.²²

[21] The delict of passing-off is a species of the broader delict of unlawful competition²³ and is explained as follows by the learned authors of *Competition in LAWSA*:²⁴

“Passing off ... [is one of the] examples of unlawful competitive conduct falling within this category. Direct impingements of goodwill take place where a direct attack is made on a rival. Here the actual or potential benefit which the trader obtains is the result of the prejudice which the rival suffers, whereas, in the case of indirect impingements, the prejudice suffered by the rival results from the benefit obtained by the trader concerned.”

²² Harms LTC *Amler's Precedents of Pleadings* 9th ed (LexisNexis, online version, last updated 2018) at p 291. See further Delpont P *Henochsberg on the Companies Act 71 of 2008* (LexisNexis online version, last updated in September 2019) at p 60.

²³ *Lorimar Productions Inc v Sterling Clothing Manufacturers (Pty) Ltd* 1981 (3) SA 1129 (T) at 1138. See further *Amler's Precedents of Pleadings* at 291.

²⁴ Neethling J and Rutherford BR “Competition” in *LAWSA* vol 2(2) (LexisNexis, online version as at 31 August 2003).

[22] In *Amler's Precedents of Pleadings* the learned author thereof explains:

“A passing-off action protects the goodwill or reputation of a trader’s business, merchandise or services against a false representation by a competitor that the business, merchandise or service of the competitor is that of or associated with the plaintiff. It also provides protection against deception as to trade source or trade connection.

The typical case of passing-off is when the defendant uses, adopts or imitates the trade name or get-up of the plaintiff’s business, goods or services.”²⁵

[quoted without the accompanying footnotes, but with added underlining for emphasis]

[23] The applicant’s case in this regard is completely built on the existence of the first respondent’s name on the registry or records of the second respondent. There is no further evidence or even information of the alleged delict of passing off on the part of the first respondent.

[24] Without much ado, I state that there is no likelihood of deception between the applicant’s “TSOGO SUN” business or trade mark and the first respondent’s name. The two contain sufficient distinguishing material, as I have indicated above.²⁶ *A fortiori* there is no reasonable likelihood of confusion or deception amongst members of the public, including potential customers²⁷ and, in fact, there is no shred of evidence to

²⁵ *Amler's Precedents of Pleadings* at p 291.

²⁶ See par 19 above.

²⁷See *Pioneer Foods (Pty) Limited v Bothaville Milling (Pty) Limited* (215/2013) [2014] ZASCA 6; [2014] 2 All SA 282 (SCA) (12 March 2014) at par 7, “Passing off occurs when A represents, whether or not deliberately or intentionally, that its business, goods or services are those of B or are associated therewith. It is established when there is a reasonable likelihood that members of the public in the marketplace looking for that type of business, goods or services may be confused into believing that the business, goods or services of A are those of B or are associated with those of B. The misrepresentation on which it

suggest confusion or deception. Determinations required in this regard are factual and each case rise and fall by its circumstances.²⁸ In my view, on the facts of this matter the first respondent's name also does not contravene provisions of section 11(2)(c)(i) of the Companies Act.

Infringement of trade mark under the Trade Marks Act

[25] The applicant further contends for a case premised on the provisions of the trade marks legislation. It is asserted that the first respondent or the use of the first respondent's name amounts to trade mark infringement in terms of section 34(1)(a) of the Trade Marks Act.²⁹

[26] I consider it trite by now that this Tribunal does not determine company names on any other basis than the provisions of the Companies Act, as complemented by the Companies Regulations, 2011. Therefore, reliance on the Trade Marks Act by the applicant is erroneous.

Conclusion

[27] On the basis of what is stated above, I find the applicant's case on all its three legs to have failed. Therefore, the inclusion of the word "TSOGO" in the first respondent's

depends involves deception of the public in regard to trade source or business connection and enables the offender to trade upon and benefit from the reputation of its competitor. Misrepresentations of this kind can be committed only in relation to a business that has established a reputation for itself or the goods and services it supplies in the market and thereby infringe upon the reputational element of the goodwill of that business. Accordingly proof of passing off requires proof of reputation, misrepresentation and damage.⁴ The latter two tend to go hand in hand, in that, if there is a likelihood of confusion or deception, there is usually a likelihood of damage flowing from that." [quoted without accompanying footnotes] *Pioneer Foods v Bothaville Milling* was quoted with approval in *Better Homes Expo v Consep Home Ideas* at par 7.

²⁸ *Better Homes Expo v Consep Home Ideas* at par 16 and the authorities relied upon.

²⁹ See par 7.2 of the supporting affidavit to the application on indexed p 21.

name “TSOGO MAGIFIX” does not render the first respondent’s name dissatisfactory of the provisions of section 11(2) of the Companies Act.

[28] I have read the decision of my fellow member of this Tribunal B Zulu in the decision of *Tsogo Sun (Pty) Ltd v Tsogo Solutions (Pty) Limited & Another*.³⁰ I respectfully differ with the order made therein and the reasons for the order on the basis of what is stated above.

Order

[29] I therefore make the following order:

- a) the application is dismissed.

Khashane La M. Manamela

Member, Companies Tribunal

05 December 2019

³⁰ See *Tsogo Sun (Pty) Ltd v Tsogo Solutions (Pty) Limited & Another*, Case No: CT008NOV2018, Companies Tribunal, 21 January 2019.