

SOUTH AFRICA / JUDGMENT

**South African Junior Golf Association and Another
v Registrar of Companies and Another, South
African Golf Association v South African Junior Golf
Association and Others (7187/08) [2009] ZAWCHC
174; 2009 BIP 204 (WCC) (9 November 2009)
[2009] ZAWCHC 174**

COURT

Western Cape High Court, Cape Town

BEFORE

Traverso

CASE / FILE NUMBER

7187/08

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IN

THE HIGH COURT OF SOUTH AFRICA

(WESTERN

CAPE HIGH COURT, CAPE TOWN)

CASE

NO: 7187/08

In

the matter between:

SOUTH

AFRICAN JUNIOR GOLF ASSOCIATION 1st

Applicant

JOHAN

ENGELBRECHT 2nd

Applicant

and

THE

REGISTRAR OF COMPANIES 1st

Respondent

SOUTH

AFRICAN GOLF ASSOCIATION 2nd

Respondent

AND

In

the matter of a counter
application between:

SOUTH
AFRICAN GOLF ASSOCIATION Applicant
SOUTH
AFRICAN JUNIOR GOLF ASSOCIATION 1st
Respondent
JOHAN
ENGELBRECHT 2nd
Respondent
REGISTRAR
OF TRADE MARKS 3rd
Respondent

JUDGMENT

: 9 NOVEMBER 2009

TRAVERSO, DJP :

- [1] This application started as a relatively simple matter. It has however escalated into a matter involving complex legal issues.
- [2] The second applicant, Mr. Johan Engelbrecht, is a golf professional. He is also a director and the chief executive officer of the first applicant. The first applicant, the South African Junior Golf Association ("SAJGA") is an association not for gain, incorporated in terms of Section 21 of the Companies Act, No. 61 of 1973 ("the Act"). SAJGA was incorporated on 24 August 2006. On 23 August 2007 the South African Golf Association ("SAGA"), the second respondent, filed an objection with the Registrar of Companies requesting that SAJGA be ordered to change its name. The objection was made on the basis that the name was confusingly similar and calculated to cause damage to SAGA. Accordingly, it was contended that the name of the first applicant was undesirable.
- [3] After consideration the Registrar of Companies decided that SAJGA's name was in fact undesirable and ordered it to change its name. This resulted in the present application being brought by the first applicant in terms of Section 48 of the Act for the setting aside of the Registrar's decision.
- [4] This application was met by a counter application in terms whereof SAGA applies, inter alia, for a cancellation and removal from the Trade Mark Register of the registration of the name South African Junior Golf Association and also for an interdict restraining the applicants from using this trade mark or any other mark which is deceptively similar to the trade marks South African Golf Association and SAGA.

COMPANY NAME OBJECTION:

[5] It is well established that proceedings under Section 48 of the Act take the form, not of an appeal, but rather of a re-hearing of the matter. A Court is required to reach its own conclusion and can receive additional evidence. It is not simply a matter of the Court deciding whether the Registrar's decision was correct or not. (*Deutsche Babcock SA (Pty) Ltd v. Babcock Africa (Pty) Ltd*, 1995(4) SA 1016 (T) at 1022 C.)

[6] Section 41 of the Act provides that:

"No memorandum containing a name for a company to be incorporated shall be registered if in the opinion of the registrar the name is undesirable."

[7] Section 45 of the Act provides that within a period of one year after the date of a certificate of change of name the Registrar may, if an objection is lodged, order such party to change its name provided the Registrar is satisfied that the name is calculated to cause damage to the objector, or is undesirable.

[8] In considering this aspect it is necessary to mention that Mr. Morley, who appeared for the second respondent, informed the

Court that his client was no longer proceeding with the application interdicting the applicants from passing themselves or their business off as that of the second respondent. This is a significant concession, because issues such as whether the names are confusingly

similar or calculated to cause harm will usually resolve itself in the same inquiry. (*Peregrine Group (Pty) Ltd v. Peregrine Holdings Ltd*, 2001(3) SA 1268 SCA at 1274 G.)

[9] The mere fact that a name is similar to that of another does not, on that ground alone, justify a finding that the name is undesirable - particularly where ordinary English words are used. Equally if the name contains descriptive words this may result therein that they are not distinctive of any particular business. When considering whether a name is undesirable the name(s) should not be considered in isolation. Regard must be had to all the circumstances - such as the areas of operation, the nature of the businesses, the nature of the names, evidence of confusion, the consequences of confusion and the degree of inconvenience consequent upon an order to change a name.

[10] In the present proceedings the name of the first applicant -South African Junior Golf Association must be compared to the name of the second respondent - South African Golf Association.

[11] Undoubtedly the names have common features. But, the evidence shows that these similarities are also common to many other names used by organisations involved in the sport of golf. For example, there are other organisations which use the terms "South African"; "Association" and "Golf" such as for example "The South African Senior Amateur Golf Association"; and "The South African Disabled Golf Association". To these names the second respondent has not objected. This is not surprising because the second respondent cannot monopolise the terms "South African", "Golf" or "Association". Just as the addition of

the word "Disabled" sufficiently distinguishes the South African Disabled Golf Association from the second respondent, the addition of the word "Junior" in my view sufficiently distinguishes the name of the first applicant from that of the second respondent, particularly if regard is had to the many other differences in the business of the two bodies. This view is fortified by the facts set out hereunder.

[12] The first applicant directs its focus on the underprivileged youth. It provides golf lessons to them and also teaches them the principles,

rules and etiquette of the game. The first applicant concerns itself only with junior golf in respect of both young men and women. The first applicant's activities also have a Christian focus which features strongly in their advertising. By contrast, the second

respondent is a national umbrella body whose members consist of provincial golf unions to which golf clubs are affiliated. It administers/organises various national golf tournaments for adult male golfers and administers the official handicapping system for golfers who belong to clubs. It does not have any direct function in respect of ladies golf. That is administered by an independent organisation, previously called the South African Ladies Golf Union, and more recently "Women's Golf South Africa" ("WGSA"). More importantly, the second respondent is not in any way involved with junior golf in South Africa. This has been controlled by an independent body, with its own provincial divisions, and which is presently known as the South African Junior Golf Foundation. The second respondent's contention that all amateur golf in South Africa is affiliated to SAGA is factually incorrect. Most of these bodies have their own executive committees, whereas for example the South African Disabled Golf Association and the Development Board, both Section 21 companies, each have their own board of directors. None of these bodies claim to be, or relies on, any supposed affiliation to SAGA. The high-water mark of the second respondent's case in this regard is that there are committees on which both members of SAGA and the other respective bodies serve, or which are attended jointly by members of SAGA and members of the various bodies. As regards WGSA, the only link between it and SAGA, is that the formal handicapping system in South Africa is run jointly between SAGA and WGSA. So whereas there is no doubt interaction and co-operation between these bodies, there is not a shred of evidence that there is any

"affiliation". Nothing prevents SAGA from interacting and co-operating with SAJGA.

[13] The second respondent relies on the following directive of the Registrar for its contention that the name is undesirable:

"In particular a name will be considered undesirable If -

1.1 it is identical or very similar to a name already registered.

1.5 words pertaining to a trade mark are contained in a name which will be used in regard to a business which relates to the class of goods or services in which the trade mark is registered while the Applicant has no proprietary rights in respect of such trade mark, nor the consent of the said proprietor to use such words in a name."

- [14] This directive does not have statutory force. In any event the directive will not apply to SAGA because its name is not registered - SAGA is an unincorporated association.
- [15] The second respondent also relies on the fact that it has a long history. That is true to a certain extent, but the second respondent has only been known by its present name since 1997 when the South African Golf Union merged with the South African Golf Association. Prior thereto the second respondent was known as the South African Golf Federation.
- [16] There is no evidence of any actual public confusion. Over the years the golfing fraternity has been able to distinguish between the activities of the second respondent and other golfing bodies such as the South African Senior Amateur Golf Association, the South African Disabled Golf Association etc. These names merely indicate the particular target market of each body within the wider world of golf. The fact that SAGA has not been able to produce any evidence of actual confusion in my view demonstrates that there is no likelihood of public confusion.
- [17] I therefore conclude that the Registrar's decision should be set aside.

TRADE MARK:

- [18] I will now move on to the next issue. Much of what I have said regarding the similarity between the marks in respect of the company

name change will be of equal application to this aspect. It however bears no repetition. The first applicant submitted an application for the registration of the mark SOUTH AFRICAN JUNIOR GOLF ASSOCIATION. This application was formally accepted in May 2006 and approved on 15 January 2008 with effect from 19 September 2001. It was registered in Class 41.

- [19] SAGA on the other hand is the registered proprietor of the following trade marks:

SOUTH AFRICAN GOLF ASSOCIATION

SA GOLF ASSOCIATION

SA GOLF ASSOCIATION GOLF ACADEMY

SAGA SOUTH AFRICA

They are all in Class 41.

- [20] The counter application by the second respondent is firstly for an expungement of second applicant's trade mark, and second for an interdict restraining the applicants from using its trade mark on the basis that the use thereof constitutes an infringement of second respondent's trade mark SOUTH AFRICAN GOLF ASSOCIATION. In order to succeed with

the latter claim, the second respondent must, as a necessary first step, succeed with its application for the expungement of the second applicant's trade mark from the Register by virtue of the provisions of Section 34(2)(g) of the Trade Marks Act, No. 194 of 1993 ("Trade Marks Act" which provides:

"34. Infringement of registered trade mark. -...

- (2) A registered trade mark is not infringed by -
- (g) the use of any identical or confusingly or deceptively similar trade mark which is registered:"

[21] Second respondent claims that the trade mark of the second applicant was wrongly entered and wrongly remained on the Register in terms of Section 24(1) read with Sections 10(12) and 10(14) of the Trade Marks Act.

"24. General power to rectify entries in register. - (1) in the event of non-insertion in or omission from the register of any entry, or of any entry wrongly made in or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply to the court or, at the option of the applicant and subject to the provisions of section 59, in the prescribed manner, to the registrar, for the desired relief, and thereupon the court or the registrar, as the case may be, may make such order for making, removing or varying the entry as it or he may deem fit."

[23] Sections 10(12) and 10(14) respectively of the Trade Marks Act provide:

"10. Unregistrable trade marks. - The following marks shall not be registered as trade marks or, if registered, shall, subject to the provisions of sections 3 and 70, be liable to be removed from the register:

- (12) a mark which is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class of persons;

.....

- (14) subject to the provisions of section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark;"

[24] The trade mark of the second applicant (which is used by the first applicant with the permission of the second applicant) relates to the following services in Class 41:

"Educational services in relation to golf; providing of golf training; golfing tuition; arranging and conducting of conferences, seminars and workshops; promotion and organisation of sporting events; services in this class in relation to the exploitation of sporting events; providing golf facilities; providing sports facilities; video, tape, film, television and radio production; entertainment services, organisation of competitions; publication of books and texts; consultancy; information and advisory services relating to the aforesaid; educational, management, entertainment, sporting and recreational services including services in relation to sports grounds, sports clubs, pleasure resorts, golf courses, golf driving ranges, golf tournaments, maintenance, organisation and upkeep of the foregoing and all other services related to or connected with golf."

[25] 25.1 SAGA's trade marks were registered in respect of:

"education; providing of training; entertainment; sporting and cultural activities."

25.2 The SAGA South Africa device was registered in respect of:

"Teaching and instruction; entertainment; sporting activities; all of the aforesaid being concerned with or relating to the game of golf."

[26] It was argued on behalf of second respondent that the services to which the subject trade mark relates are included in the scope of the services to which SAGA's trade mark relates. Accordingly, it was argued that the second applicant's trade mark would be likely to deceive and/or is so

similar to that of the second respondent, that it is likely to cause confusion, more particularly because they are used in relation to similar services.

[27] I will now analyse whether the second respondent has shown that the use of the first applicant's trade mark is likely to cause confusion. For the second respondent to rely successfully on Section 10(12) or 10(14) it had to show that it has a reputation in the mark SOUTH AFRICAN GOLF ASSOCIATION. See: Danco Clothing (Pty) Ltd v. Nu-Care Marketing Sales and Promotions (Pty) Ltd, 1991(4) SA 850 (A); Wm. Penn Oils Ltd v. Oils International (Pty) Ltd, 1966(1) SA 311 (A) at 317 C-E. The second respondent attempted to show that it has a reputation, inter alia, by stressing the fact that it has a long history. This does not necessarily mean that it has acquired a reputation. The second respondent only got its various trade mark applications approved in 2002 and 2006 respectively. Compared to this, the second applicant

applied to register the mark South African Junior Golf Association in September 2001 from which date first applicant started to use it.

[28] The second respondent further relies heavily on the large number of golf players who are "affiliated" to it. But, in fact, players are not "affiliated, to the second respondent at all. The clubs to which they belong are affiliated to a provincial union and a provincial union can

become a member of second respondent. Your average golfer has no direct or indirect dealings with the second respondent. In fact individual golfers cannot join second respondent. The second respondent relied on 3 documents as evidence of its contention that it has acquired a protectable reputation. The first is its constitution. This document does not support the contention that SAGA has a reputation. On the contrary, it shows that its membership only consists of 14 golf unions, and that it is the controlling body of amateur male golf. The other two documents consist of a publication and an internal document setting out the history of the South African Golf

Union, and tell about certain other historical golf events. These documents take the matter no further, save that the latter contains

the following statement which supports the first applicant's contention that SAGA is not the sole controlling force behind amateur golf in South Africa:

"Since these early days, golf has flourished and the game has spread to all corners of South Africa. By the end of 1985, the South African Golf Union had 8 members being various Provincial Unions and to these members were affiliated 384 golf clubs with an adult male membership of just over 65,000 Amateur golfers. Owing to the tremendous growth and popularity of golf during these first 75 years, the ladies formed their own National Union (the South African Ladies Golf Union) and an administrative body was formed for Junior Golf (the South African Golf Foundation)." (Emphasis supplied)

[29] In the circumstances the second respondent has failed to show that it has a protectable reputation.

[30] What becomes clear from the foregoing is that the two bodies (first applicant and second respondent) are not rendering the same service. Although they both serve the golfing fraternity, they serve different sectors thereof. The second respondent's focus is directed at adult male golf, whereas first applicant is involved with promoting the sport among junior golfers of both sexes. There are other differences such as the fact that the first applicant has a strong Christian focus, but I do not believe it is necessary to discuss this in any further detail.

[31] The principles applicable to the evaluation of two trade marks has been authoritatively set out in *Plascon-Evans Paints v. Van Riebeeck Paints*, 1984(3) SA 623 (A) at 640 G - 641 E, where Corbett, JA (as he then was) stated:

"In the infringement action the onus is on the plaintiff to show the probability or likelihood of deception or confusion. It is not incumbent upon the plaintiff to show that every person interested or concerned (usually as customer) in the class of goods for which his trade mark has been registered would probably be deceived or confused. It is sufficient if the probabilities establish that a substantial number of such persons will be deceived or confused. The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant's mark is used

are the goods of the proprietor of the registered mark; ie the plaintiff, or that there is a material connection between the defendant's goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such connection.

The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. The notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally considered must be given to the manner in which the marks are likely to be employed as, for example, the use of the name marks in conjunction with a generic description of the goods."

- [32] When applying this test and more particularly when the respective trade marks are considered with reference to those persons who will encounter them (ie golfers - not general members of the public) then it cannot be said that the marks are confusingly similar. The golfing fraternity has, for decades, been fractionalised in, for example, Junior Golf, Ladies (or Women's) Golf and Seniors Golf. The services which both the first applicant and second respondent render are confined to the golfing fraternity, and the comparison between the two marks must be considered in that context.
- [33] In the circumstances the application for the expungement of the second applicant's trade mark must fail.
- [34] From this it self-evidently follows that the application for an interdict restraining the first applicant from using the trade mark must also fail.
- [35] In the circumstances I make the following order:
- (a) The order of the first respondent in terms of Section 45(2) of the Companies Act, 61 of 1973, directing the first applicant to change its name is set aside.
 - (b) The second respondent is ordered to pay the costs of the application.
 - (c) The second respondents counter application is dismissed with costs.

Traverso, djp

9 November 2009

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