

**IN THE HIGH COURT OF SOUTH AFRICA
(CAPE OF GOOD HOPE PROVINCIAL DIVISION)**

Case No: 17225/2007

In the matter between:

**CENTURY CITY PROPERTY OWNERS'
ASSOCIATION (A SECTION 21 COMPANY)**

Applicant

and

**CENTURY CITY APARTMENTS PROPERTY
SERVICE CC
THE REGISTRAR OF COMPANIES AND
CLOSE CORPORATIONS
UNIFORUM SA**

First Respondent

Second Respondent

Third Respondent

In the counter application between:

**CENTURY CITY APARTMENTS PROPERTY
SERVICE CC**

Applicant

[In the counter application]

**CENTURY CITY PROPERTY OWNERS'
ASSOCIATION (A SECTION 21 COMPANY)**

First Respondent

[In the counter application]

THE REGISTRAR OF TRADE MARKS

Second Respondent

[In the counter application]

| | | |
|---------------------------------|----------|--|
| CORAM | : | D M DAVIS J |
| JUDGMENT BY | : | DAVIS J |
| FOR THE APPLICANT | : | ADV R W F MACWILLIAM (SC) & ADV I JOUBERT |
| INSTRUCTED BY | : | SPAMER & TRIEBEL INC |
| FOR THE FIRST RESPONDENT | : | ADV R W TANTON |
| INSTRUCTED BY | : | ADAMS & ADAMS |
| DATE OF HEARINGS | : | 03 NOVEMBER 2008 |
| DATE OF JUDGMENT | : | 26 NOVEMBER 2008 |

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Reportable

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In the counter application between:

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[In the counter application]

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[In the counter application]
Second Respondent
[In the counter application]

THE REGISTRAR OF TRADE MARKS

JUDGMENT: 26 November 2008

DAVIS J:

[1] Century City is an imposing development which dominates Northern Cape Town. Hugging the N1 road way in an area called Montague Gardens, it has become a significant landmark in the broader Cape Town area.

- [2] The main business of applicant is to promote advance and protect the communal interest of all the owners, lessees, occupiers and visitors to Century City. First respondent conducts trade as a real estate letting agency in Cape Town, trading under the name and style of Century City Apartments. First respondent is also registered as a domain name incorporating the trade marks Century City, namely centurycityapartments.co.za. It has also established a website on the internet in relation to this domain and registration and has several other websites on the internet, allegedly which also make use of the trade mark Century City.
- [3] Applicant contends that the use by first respondent of the trade mark Century City as part of its corporate name, trading style, domain name, registration and on its internet websites amounts to trade mark infringement in terms of section 34 (1) (a) and/or (b) of the Trade Marks Act 194 of 1993 ('The Act') as well as constituting passing-off in terms of the common law. Applicant has approached this court for interdictory relief to restrain first respondent from making use of the trade mark Century City as I have described it.
- [4] Apart from defending the application, first respondent has brought a counter application in which it seeks rectification of the trade marks

registered in respect of the applicant's trade mark registrations for the mark Century City on the following basis:

1. Century City is a place name not capable of distinguishing the services of applicant from the services of other persons within the meaning of section 9 (1) section 10 (2) (a) of the Act.
2. Century City is a place name which consist exclusively of a sign or an indication which may serve, in trade, to designate the kind or intended purpose and / or geographical origin of applicant's services as set out in section 10 (2) (b) of the Act.

[5] In argument, Mr Macwilliam who appeared together with Ms Joubert on behalf of the applicant, correctly submitted that the fate of the application could, in large measure, be determined by the success or failure of the first respondent's counter application. In that application, first respondent seeks the removal from the trade mark register of the trade mark 'Century City' in terms of section 24 (1) read with sections 9,10 (2) (a) and 10 (2) (b) of the Act as entries which wrongly remain on the register. The case therefore turns on a name – either deserving of protection under the Act or no more than an indication of a geographical location.

[6] Simple as the description of the dispute may appear, it raises complex questions in a area of law. This kind of dispute is well known in

intellectual property law and is often illustrated in the class room with the following famous example.

Warner Bros. Studio threatened the Marx Brothers with legal action if they did not change the name of a movie they were planning called A Night in Casablanca. The irreverent Groucho Marx fired off this response to the studio head, Jack Warner:

Dear Warner Brothers,

Apparently there is more than one way of conquering a city and holding it as your own. For example, up to the time that we contemplated making this picture, I had no idea that the city of Casablanca belonged exclusively to Warner Brothers. However, it was only a few days after our announcement appeared that we received your long, ominous legal document warning us not to use the name Casablanca.

It seems that in 1471, Ferdinand Balboa Warner, your great-great-grandfather, while looking for a shortcut to the city of Burbank, had stumbled on the shores of Africa and, raising his alpenstock (which he later turned in for a hundred shares of common), named it Casablanca.

I just don't understand your attitude. Even if you plan or releasing your picture, I am sure that the average movie fan

could learn in time to distinguish between Ingrid Bergman and Harpo. I don't know whether I could, but I certainly would like to try.

You claim that you own Casablanca and that no one else can use that name without permission. What about "Warner Brothers"? Do you own that too? You probably have the right to use the name Warner, but what about the name Brothers? Professionally, we were brothers long before you were. We were touring the sticks as the Marx Brothers when Vitaphone was still a gleam in the inventor's eye, and even before there had been other brothers—the Smith Brothers; the Brothers Karamazov; Dan Brothers, an outfielder with Detroit; and "Brother, Can You Spare a Dime?" (This was originally "Brothers, Can You Spare a Dime?" but this was spreading a dime pretty thin, so they threw out one brother, gave all the money to the other one, and whittled it down to "Brother, Can You Spare a Dime?")

Now Jack, how about you? Do you maintain that yours is an original name? Well it's not. It was used long before you were born. Offhand, I can think of two Jacks—Jack of "Jack and the Beanstalk," and Jack the Ripper, who cut quite a figure in his day.

As for you, Harry, you probably sign your checks sure in the belief that you are the first Harry of all time and that all other Harrys are impostors. I can think of two Harrys that preceded you. There was Lighthouse Harry of Revolutionary fame and a Harry Appelbaum who lived on the corner of 93rd Street and Lexington Avenue. Unfortunately, Appelbaum wasn't too well-known. The last I heard of him, he was selling neckties at Weber and Heilbroner.

Now about the Burbank studio. I believe this is what you brothers call your place. Old man Burbank is gone. Perhaps you remember him. He was a great man in a garden. His wife often said Luther had ten green thumbs. What a witty woman she must have been! Burbank was the wizard who crossed all those fruits and vegetables until he had the poor plants in such confused and jittery condition that they could never decide whether to enter the dining room on the meat platter or the dessert dish.

This is pure conjecture, of course, but who knows—perhaps Burbank's survivors aren't too happy with the fact that a plant that grinds out pictures on a quota settled in their town, appropriated Burbank's name and uses it as a front for their films. It is even possible that the Burbank family is prouder of

the potato produced by the old man than they are of the fact that your studio emerged “Casablanca” or even “Gold Diggers of 1931.”

This all seems to add up to a pretty bitter tirade, but I assure you it’s not meant to. I love Warners. Some of my best friends are Warner Brothers. It is even possible that I am doing you an injustice and that you, yourselves; know nothing about this dog-in-the-Wanger attitude. It wouldn’t surprise me at all to discover that the heads of your legal department are unaware of this absurd dispute, for I am acquainted with many of them and they are fine fellows with curly black hair, double-breasted suits and a love of their fellow man that out-Saroyans Saroyan.

I have a hunch that his attempt to prevent us from using the title is the brainchild of some ferret-faced shyster, serving a brief apprenticeship in your legal department. I know the type well—hot out of law school, hungry for success, and too ambitious to follow the natural laws of promotion. This bar sinister probably needled your attorneys, most of whom are fine fellows with curly black hair, double-breasted suits, etc., into attempting to enjoin us. Well, he won’t get away with it! We’ll fight him to the highest court! No pasty-faced legal adventurer is going to cause bad blood between the Warners

and the Marxes. We are all brothers under the skin, and we'll remain friends till the last reel of "A Night in Casablanca" goes tumbling over the spool.

Sincerely,

Groucho Marx

The balance between an open society coupled to a free exchange of information and ideas and intellectual property rights deserving of legal protection can often prove to be a difficult problem. It is to that problem that the present dispute compels us to turn, first by way of the relevant legislation.

THE APPLICABLE LEGISLATION

[7] Section 24 – General power to rectify entries in register:

“(1) In the event of ... an entry wrongly made in or wrongly remaining on the register ... any interested person may apply to the court ... 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.

....”

Section 9 – Registrable trade marks:

“(1) In order to be registrable, a trade mark shall be capable of distinguishing the goods or services of a person in respect of which it is registered or proposed to be registered from the goods or services of another person either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within those limitations.

(2) A mark shall be considered to be capable of distinguishing within the meaning of subsection (1) if, at the date of application for registration, it is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof.”

Section 15 – Registration subject to disclaimer:

“If a trade mark contains matter which is not capable of distinguishing within the meaning of section 9, the registrar or the court, in deciding whether the trade mark shall be entered in or shall remain on the register, may require, as a condition of its being entered in or remaining on the register-

- (a) *that the proprietor shall disclaim any right to the exclusive use of all or any portion of any such matter to the exclusive use of which the registrar or the court holds him not to be entitled; or*
- (b) *that the proprietor shall make such other disclaimer or memorandum as the registrar or the court may consider necessary for the purpose of defining his rights under the registration:*

Provided that no disclaimer or memorandum on the register shall affect any rights of the proprietor of a trade mark except such as arise out of the registration of the trade mark in respect of which the disclaimer is made.”

Section 10 (2) (a) and (b) – 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:

- (1) *...*
- (2) *a mark which-*
 - (a) *is not capable of distinguishing within the meaning of section 9; or*

- (b) *consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purposes, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering the services;*

...

Provided that a mark shall not be refused registration by virtue of the provisions of paragraph (2) or, if registered, shall not be liable to be removed from the register by virtue of the said provisions if at the date of the application for registration or at the date of an application for removal from the register, as the case may be, it has in fact become capable of distinguishing within the meaning of section 9 as a result of use made of the mark.”

RESPONDENT’S CASE IN THE COUNTER APPLICATION

- [8] Respondent conceded that the mark ‘Century City’ was properly registered in the name of applicant in 1997 but at that stage the development of Century City had not taken place. When Century City was subsequently developed, the name was initially used by the developers. However, the name is of a place and the name, has for many years, become the name of an identified geographical location. Briefly, this is the Casablanca – type argument.

- [9] Furthermore, applicant, according to respondent, functions similarly to a body corporate in a sectional title scheme, acting on behalf of the property owners, comprising an association, in matters such as maintenance of common areas, management of an internal shuttle service, storm water and effluent management, security and the collection of levies from owners to fund various activities. It does not sell goods and services to the general public or at all.
- [10] Mr Tainton, who appeared on behalf of first respondent, submitted that there was a complete absence in the link between applicant, the name Century City and the general public in respect of the sale of goods and service in respect of which the marks were registered. Such a link, in his view, would be essential as a step in proving that the general public regarded Century City not as a place name but as denoting particular services or goods of applicant.
- [11] Mr Tainton referred to the trade mark certificates and the service and goods in respect of which the marks were registered. These include advertising and business services, import and export services, business research planning, insurance, financial affairs, estate agencies, education, entertainment, cinemas, theme parks, sporting and cultural activities, retail, bars, bottle stores, wholesale, mail order and merchandising and

the provision of food and drink, hotels and exhibitions. Mr Tainton submitted that the general public, interested in the goods and services in respect of which the trade mark was registered, did not trade with applicant at all but with other parties located in Century City who sell their goods and services. These would include parties who trade in the provision to the general public of the various designated services. The general public, would therefore not consider that services provided by the traders located in Century City were at all connected to the property owners association, being applicant as opposed to the individual traders with whom they contract. In his view, they would have been unlikely even to have heard of the property owners association. Mr Tainton also referred to the website which was annexed to the applicant's papers in which the following appeared:

"Century City has become an increasingly important commercial hub in the Western Cape and is home to a growing number of international and national companies as well as smaller owner occupiers."

- [12] Mr Tainton therefore submitted that this evidence put beyond doubt that the name Century City has been employed as a name of a place where companies and smaller occupiers are located rather than constituting a reference to the property owners association.

- [13] Mr Tainton also sought to draw a distinction between the Century City development and another central development within the Cape Town area, namely the Victoria and Alfred Waterfront. In this connection he referred to an observation of Desai J in Victoria and Alfred Waterfront v Police Commissioner, Western Cape 2004 (4) SA 444 (C) at 449 that the Waterfront, 'is for all practical purposes a suburb of Cape Town'. Mr Tainton submitted that like reasoning applied to Century City which was also, for all practical purposes, a suburb of Cape Town.
- [14] Mr Tainton placed further considerable emphasis on the judgment in Tigon Mining and Finance Corporation Limited v South Tigon Mining Co Ltd (1931) 48 RPC 526. In that case, the plaintiff had altered its name to Tigon Mining and Finance Corporation Limited. It appears that the word Tigon was derived from an animal said to have existed at some time in the zoological gardens, being an off spring of a lion and a tigress. Having changed its name, plaintiff began to acquire mining properties, particularly in Spain. The plaintiff formed another company which acquired additional properties in a neighborhood of Almeria in Spain. The properties contained ore from which sulphur was extracted. The name Tigon became linked to the mineral properties owned by the company; such that the ores from the mines on plaintiff's property were generally known by the description 'Tigon'.

[15] The Court observed at 534 that the mineral properties which that company owned:

“Only apart of a bed of like minerals which lies under adjoining property, and that bed of minerals is in a valley, and the result is that amongst mining engineers the bed has become known as the Tigon bed, and the valley containing the bed has become known as the Tigon basin. No doubt that has happened because of the expenditure by the plaintiff companies through the Spanish company of money upon its property but it is undoubtedly what has happened.”

Thus, when plaintiff claimed an injunction restraining defendants from using or carrying, on business under the name ‘South Tigon Mining Company Limited’, the court held:

“There is now, I think a geographical significance in the name which has come to mean the bed of sulphur bearing ore in Almeria South Spain ... [i]t seems to me to be quite natural that a company which owns the minerals, being part of what is now known as the Tigon bed and lying to the south of the part of that bed which was originally proved, should take as its name the name which the defendant company has taken, namely South Tigon Mining Company Limited; and I cannot think, having regard to the way in which different parts of the mineral beds or reefs have been named in the past, and having regard to the fact that those who deal in the

shares of mining companies have been quite well accustomed to companies which have one distinctive feature or common feature as their name, being distinguished from one another by adding to that distinctive feature one of the points of the compass, anybody would be likely to confuse, as far as share dealings are concerned, if that be a relevant consideration, the shares of the Plaintiff Company with the shares of the Defendant Company.” at 535

In short, Mr Tainton submitted that, as had been the case with Tigon, so had the developers of Century City been so successful that the very location of their development had now assumed a common usage which was indicative of the geographical location of that development or, to employ the words of Desai J in the Waterfront case, Century City was now to be regarded as suburb of Cape Town.

- [16] When respondent appended the words ‘Century City’ to the word ‘apartments’, this was a clear example of how the mark Century City served to designate the geographical origin of the apartments which first respondent let. Accordingly, Mr Tainton submitted that the word mark was wrongly on the register and fell to be removed, pursuant to section 10 (2) (b) of the Act.

APPLICANT'S RESPONSE

[17] Mr Macwilliam submitted that, under its trade mark, applicant provides a number of services including the following:

1. Different levels of access control to various areas within the development known as Century City.
2. The provision of public transport within Century City.
3. The provision of security services which have been outsourced to a private security company. The security company's vehicles and uniforms depict, with the consent of applicant, the Century City trade mark.
4. The approval of special events staged on private or common areas within Century City, subject to certain terms and conditions.
5. Enforcement of the traffic rules and regulations and the employed of road blocks in Century City, including clamping and the issuing of fines as well as parking control.
6. The setting down of design requirements in respect of buildings and landscaping in Century City.
7. The control of signage used within the development.

Furthermore, applicant policies the use of the trade mark 'Century City', where this trade mark is used in an unauthorised manner. It then takes the necessary action. Mr Macwilliam also submitted that since the inception of the development, Century City had been advertised

extensively as part of a marketing strategy Century City has been presented as a prestigious development from which every business would aim to trade and where the owners thereof would be proud to live. The development has been presented as a distinctive integral whole, with the different parts of the development complimenting each other. Accordingly, Mr Macwilliam submitted that significant value and goodwill attached to the mark Century City. Somewhat acerbically Mr Macwilliam observed that this conclusion was obvious, given the manner in which first respondent had sought to exploit the value of the mark by using the mark Century City in its name and trading style.

- [18] According to Mr Blackshaw, who deposed to an affidavit on behalf of applicant, the trade mark Century City does not attach to the land on which the development is situated. The trade mark was created long before the development took place and its origin was not linked to any characteristic of the land itself. The trademark has always been separated therefrom. Accordingly, the trade mark attaches to the services rendered by the applicant, its predecessors and its licensees. Furthermore, the trade mark did not consist of a sign or indication which described the designated location geographical origin of the goods or services. Without the services rendered by applicant, the land on which Century City development was situated would simply be another part of the area called Montague Gardens. Accordingly, applicant contended

that Century City is not simply a geographical area, in the sense of a town, a suburb, or an area within a city but a development, albeit large in scale, controlled by a private entity and in respect of which particular services were rendered by applicant utilising its trade marks.

EVALUATION

- [19] As Mr Macwilliam correctly submitted, the onus in respect of the counter application rests upon the respondent to prove its case in order to justify the relief sought. That case can best be summarised by referring to two paragraphs in the affidavit deposed to by Mr Murphy, on behalf of first respondent:

“The mark CENTURY CITY is a geographical place name and has become that due to the successful efforts of the developers of the land on which Century City stands. The mark CENTURY CITY was initially, when the development was being planned and in its early phases, a new name for a place that did not yet exist, a place that people had not yet bought property in, or based their business in. As the developer came to exhaust itself of property sales, and as property and property usage began to fall naturally in the hands of private owners, so the name Century City has become common, and a geographical place name, rather than a distinctive trade mark indicating only one source of service.

The mark CENTURY CITY has become incapable of distinguishing the services of the applicant or any other person. It has become an indication of geographical origin and (in the case of real estate service particularly) an indication of the kind or intended purpose of services. The mark CENTURY CITY can no longer perform the function of a trade mark with respect to the services listed on these trade marks of the applicant.”

[20] As observed, Mr Tainton placed considerable emphasis on the Tigon case in support of his argument that Century City has now become no more than a geographical place. Accordingly, whatever the previous registration, it now consist exclusively of a sign to designate geography rather than distinguishing the goods or services of a particular person; in this case applicant.

[21] In argument before the Court, a further decision cited by Mr Tainton in support of first respondent’s case, requires analysis, being Nicks Fishmonger Holdings (Pty) Ltd and another v Fish Dinner in Bryanston CC and others 2005 BIP 46 (W). This case turned on an application to restrain the continued alleged infringement of first applicant’s trade mark ‘the Fishmonger’ in respect of restaurants and the passing-off by the respondent of their restaurant the ‘Bryanston Fishmonger’ as though it were part of applicant’s claim. Horowitz AJ placed considerable

emphasis on the meaning of the word 'fishmonger' as is evident from the following passage:

"I believe that it is important to bare in mind the distinction, particularly because (at the risk of repetition) the words 'fishmonger', generally speaking, is indicative of a trade or occupation, not of a particular entity and, apparently in South Africa, of restaurants which specialise in fish dishes. One must therefore guard against allowing a specific entity to monopolise such a word, even though it may be one in a phrase constituting a trademark." at 73

The learned judge then continued:

"The more general the nature of the words constituting a trademark, the greater the scope for the owner thereof to allege an infringement of the trademark and the less a court should be inclined to hold that particular words are 'identical, or deceptively or confusingly similar' to the words constituting the registered trademark which it is alleged is being infringed. Unless there were compelling reasons to do otherwise, I would be hesitant to hold in favour of a trademark owner, whose trademark consists of words of general description and who invites, as it were, what superficially might appear to be deception but is really nothing more than the use by the alleged wrongdoer of a word which might be intended to do no more than describe the nature of the latter's business. It

must be remembered that the first applicant enjoys trademark rights in the words 'THE FISHMONGER', not simply the single word 'FISHMONGER'. What the first applicant therefore seeks to do is claim a monopoly in an English word which is descriptive of an occupation, merely because that word features as one word in a trademark which the first applicant owns. To my mind, 'THE FISHMONGER' is general enough; 'FISHMONGER' alone, the more so. In my view, therefore, the respondents did nothing wrong in appending that word to another word which indicates the area in which the respondents ply their trade. Whilst it may be that restaurant diners might think that there is some connection or association between the first respondent's restaurant and the first applicant's chain of franchise restaurants, that is not necessarily the result of unlawful conduct on the part of the respondents: it could equally be that the words by which the first applicant chose to identify itself in the market-place, lend themselves to confusion."

- [22] I have cited this passage in full because it produces a measure of lucidity on the use of a particular word within the context of the Act, particularly a word which is used in ordinary speech. In this case, however, the argument turns on words which allegedly connote a specific location. Here there is assistance to be found in the case law.

[23] In Cambridge Plan AG and another v Moore and others 1987 (4) SA 821 (D) the court was seized with a matter in which applicant had applied for an interim interdict based on its rights in a trade mark Cambridge Diet. Respondent submitted that the use of the word 'Cambridge' in the confusingly similar mark, 'Dr Howard's Cambridge Formula', was an allusion to the fact that it originated in Cambridge (at 844 A). Significantly, Page J held as follows at 844 F - G:

"The reason that geographical names are difficult to register and, if registered, are normally registered subject to a disclaimer, is because their presence on the Register might otherwise embarrass or inconvenience traders wishing to refer to a particular geographical locality... In order to avoid this result, however, a disclaimer of any right to the word solely in its geographical connotation is all that is necessary: and this, in my view, is what the disclaimer in the present case means is not intended to cover, and does not cover a use of the word 'Cambridge' 'in a connotation which is not exclusively geographical'.

The use by the respondents in the present case is not exclusively geographical but is intended to identify the particular dietary regimen developed by Dr Howard. The fact that it is done by reference to Cambridge, does carry with it a certain geographical

connotation but this is not the primary connotation conveyed by the respondent's use of the word."

[24] It may be that the use of an ordinary English word such as fishmonger or the name of an ancient English city such as Cambridge or an African city as Casablanca does not provide any exclusivity of a kind which should enjoy protection under the Act and therefore should fall within the ambit of section 9 (1) thereof as opposed to section 10 (2) (b).

[25] By contrast, to both the description 'Cambridge', 'Casablanca' or 'Fishmonger', in this case the meaning of Century City flows directly from the development of a piece of land located in Montague Gardens. The meaning of Century City is inextricably linked to this particular development. The right that flows therefrom emerged from the nature of the development rather than from a dictionary meaning or a geographical location. To return to the case of Tigon. Here the reef had become known by a particular name, Tigon. Accordingly, the court refused to allow the plaintiff to appropriate the name of the entire location for itself. In the present case, the development is a self contained complex. What is being contended, is that it has an exclusively geographical meaning which, as I have concluded, is not the case because, to use the description employed by first respondent on its website, it is a 'brand name'. At the very least, first respondent has not discharged the onus of

showing that the registered mark should fall within the ambit of section 10 (2) of the Act.

[26] That conclusion then leads to the determination of the main application.

THE APPLICATION

[27] First respondent defends its use of Century City as follows:

1. Its use of Century City constitutes the use of the name of its place of business and the use is *bona fide* and consistent with fair practice in terms of section 34 (2) of the Act.
2. Its use of Century City is a *bona fide* description or indication of the kind quality, quantity and/or intended purpose value, geographical origin of its services pursuant to section 34 (2) (b) of the Act.
3. Its use of Century City in relation to services of renting out real estate situated in Century City is *bona fide* and reasonable to indicate the intended purpose of such services in terms of section 34 (2) (c) of the Act.
4. Its use of the name 'Century City Apartments' is not likely to deceive or confuse persons interested in renting real estate in Century City into believing that first respondent's business is actually that of applicant.

By contrast, under the earlier Act, the 1963 Trade Mark's Act, section 46 (b) provided that no registration of a trade mark shall interfere with;

- (b) the use by any person of any *bona fide* description of the character or quality of his goods or service.

Section 34 (2) (b) of the Act thus extends the scope of the earlier provision and provides a defense in respect of a *bona fide* description or indication of the geographical origin of the goods or services in question provided that such use is consistent to with fair practice. In Plascon Evans Paints (Pty) Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A) Corbett JA (as he then was) said the following regarding section 46 (b):

“[i]t seems to me that what the legislature intended to safeguard by means of the provisions of the subsection is the use by a trader, in relation to his goods, of words, which are fairly descriptive of these goods, genuinely for the purpose of describing the character or quality of the goods: the use of the words must not be mere device to secure some ulterior object; as for example where the words are used in order to take advantage of the goodwill attaching to registered trademark of another.” at 645 F - G

As the court further noted in Standard Bank of SA Limited v United Bank Ltd 1991 (4) SA 780 (p) at 806 G – E:

‘[I]t is very difficult to prove bona fide descriptive use when the use is as a trade mark. “

In his replying affidavit in the main application, Mr Bradshaw notes that 'Century City apartments' is not a *bona fide* description of first respondent's services as claimed by it but rather it is employing the trade mark Century City as a distinctive part of its name. On the property owner page of its website, first respondent refers to 'Century City Apartments' as a brand name. The mark 'Century City Apartments' is also prominently used in a different colour from the rest of the typing on this webpage, The website then continues:

"Welcome to Century City Apartments – your specialist Cape Town self catering accommodation supplier of over 40 furnished Cape Tourism accredited, up market, short term vacation and corporate accommodation rental apartments, all situated within the world famous secure Century City precinct."

Had the first respondent employed a name such as 'Murphy's Apartments at Century City', that appellation would at least have indicated that the apartments were located within the geographical area of Century City as opposed to 'Century City Apartments' where the significant work is done by the phrase 'Century City' as meaning something beyond a mere geographical location.

- [28] Mr Tainton submitted that first respondent's use of the name Century City in the name 'Century City Apartments Property Services CC' was merely descriptive of the apartments which it as an agent it leases on behalf of

the respective owners of apartments in Century City. Thus, it would be impossible to describe the geographical origin or other characteristics of the apartments more accurately than as 'Century City Apartments'. In his view, it would be nonsense to call the apartments 'Murphy's Apartments' in that not all the apartments belong to Mr Murphy and the essential characteristics and identifying unifying feature was that they are 'Century City Apartments'.

- [29] Mr Tainton's submission itself provides the indication to why this defence cannot be sustained. The essential characteristic, for which he contends, is they are 'Century City Apartments' not that they are necessarily located in Century City. The descriptive power is connoted in the words 'Century City'. Hence this phrase seeks to exploit the value which is inherent in the trade mark belonging to applicant. For this reason taken together with the reasoning employed in the treatment of the registered mark, first respondent is not entitled to use the defenses as set out in section 34 (2).

OBJECTION TO FIRST RESPONDENT'S NAME AS CLOSE CORPORATION

- [30] First respondent was incorporated under its present name 28 February 2007. Section 19 of the Close Corporations Act of 1984 provides that no new close corporations may be registered under a name which is

undesirable. Section 20 of the Act is of particular relevance in this connection.

“(1) If within a period of one year after the registration of a founding statement of a corporation it appears to the Registrar that a name mentioned in the founding statement is undesirable, he or she shall order the corporation concerned to change such name.

(2) Any interested person may -

...

(b) within a period of two years after the registration of a founding statement apply to a Court for an order directing the corporation to change its name on the ground of undesirability or that such name is calculated to cause damage to the applicant, and the Court may on such application make such order as it deems fit.”

[31] Significantly, in Government Gazette 978 of 1985 the Registrar issued a directive concerning the names of companies and close corporations. Of relevance is the following passage:

“1. GENERAL PRINCIPLES

Any name may be selected, provided such name does not encroach on the rights of any person or existing concern, or

is a name which, in the opinion of the Registrar, is undesirable. In particular, a name will be considered to be undesirable if –

1.1 *it is identical or very similar to a name already registered, but non-generic identical words in names will, in exceptional circumstances, be allowed with different descriptive wording for subsidiary or associated companies;*

...

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 words in a name;”*

...

Whilst the directive has no statutory effect, it provides some guidance as to the content of the phrase ‘on the ground of undesirability’.

The word undesirable cannot be bolted to a specific definition. See Peregrine Group (Pty) Ltd and others v Peregrine Holdings Ltd and others 2001 (3) SA 1268 (SCA). In that case at para 7 Harms and Navsa JJA

approved of the approach adopted by J B Cilliers (1998 THRHR 582 and 1999 THRHR 57 particularly at 68 – 69) where the learned author said:

“The merits to be considered by the Court are whether, on a balance of probability and on the evidence before it, the existing company has such vested rights in its name or particular words in its name that the registration of the new company or the amended name of another company is undesirable, or whether the existing company or the amended name of another company is undesirable, or whether the existing company has shown not only that confusion or deception is likely, but if either ensues it will probably cause it damage. This distinction clearly delineates the two pillars of the protection against the similar company names under the Companies Act 1973 (SA).”

[32] In this case, applicant has a vested right in the name in that it was registered as its trade mark. It is manifestly undesirable for a name to be registered as the description of another corporation which has no such vested right in the name or the particular words of the name. This use can only cause damage to the corporation which has the vested right in the name. I am also satisfied that the inclusion of the trade mark ‘Century City’ in first respondent’s corporate name is calculated to cause damage within the scope of section 20 of the Close Corporations Act. This conclusion is justified on the basis that, in my view, there is a reasonable

likelihood that first respondent's business name may confuse or deceive the public into believing that the first respondent's business is or is connected with applicant's business and that that confusion or deception will probably cause damage to applicants business. Webster and Page South African Law of Trade Marks at para 16.5.

PASSING-OFF

- [33] The common law concept of passing of was eloquently described in Jennifer Williams & Associates v Lifeline Southern Transvaal 1996 (3) SA 408 (A) as follows:

"In its classic form it usually consists in A representing, either expressly or impliedly (but almost invariably by the latter means), that the goods or services marketed by him emanate in the course of business from B or that there is an association between such goods or services and the business conducted by B. Such conduct is treated by the Law as being wrongful because it results, or is calculated to result, in the improper filching of another's trade and/or in an improper infringement of his goodwill and/or causing injury to that other's trade reputation. Such a representation may be made impliedly by A adopting a trade name or a get-up or mark for his goods which so resembles B's name or get-up or mark as to lead the public to be confused or to be deceived into thinking that A's goods or services emanate from B or that there is the

association between them referred to above. Thus, in order to succeed in a passing-off action based upon an implied representation it is generally incumbent upon the Plaintiff to establish, inter alia: firstly, that the name, get-up or mark used by him has become distinctive of his goods or services, in the sense that the public associate the name, get-up or mark with the goods or services marketed by him (this is often referred to as the acquisition of reputation); and, secondly, that the name, get-up or mark used by the Defendant is such or is so used as to cause the public to be confused or deceived in the matter described above. These principles are trite and require no citation of authority”.

See also Caterham Car Sales and Coachworks Limited v Birkin Cars (Pty) Ltd 1998 (3) SA 938 (SCA) at paras 15 – 16

- [34] In this case, applicant must show that the name or mark used by it has become distinctive of its goods and services in that the public associate the mark with the goods or services marketed by it and, further, that the mark used by the first respondent is such that it will cause the public to be confused and deceived. After all, the essence of the action for passing-off is to protect against deception as to the trade source or to a business connection Caterham Car Sales, at para 15. See also Premier Trading Company (Pty) Ltd v Sportopia (Pty) Ltd 2000 (3) SA 259 (SCA) at 266 J - 267 C.

[35] In the present dispute, first respondent has made use of the very trade mark in respect of which applicant has acquired a reputation and in which there is an intrinsic value. The use of the word 'apartments' alone does not distinguish the services of first respondent from the services of the applicant. By contrast, it implies that the business of first respondent is but a branch or a department of the business of applicant or perhaps at an even more generous level to first respondent, suggests a very close connection to the business of applicant.

[36] First respondent's website contains various references to Century City as well as a news clip relating to the Century City development in general. Unquestionably, this creates the impression that the business of first respondent is in someway connected or endorsed by the applicant. In my view, the use by the first respondent to the trademark Century City is likely to cause deception or confusion among members of the public and its conduct therefore does amount to passing-off under the common law. In summary, first respondent has infringed the distinctiveness of the trade mark of applicant, that is the accessory right to the distinctive mark. Neethling Unlawful Competition at 162

THE ORDER

[37] For all of these reasons therefore, the following order is made:

1. The counter application is dismissed with costs, such costs to include the cost consequent upon the employment of two counsel;
2. The first respondent is interdicted and restrained from infringing, in terms of section 34 (1) (a) and (b) of the Trade Marks Act No. 194 of 1993, the applicant's trade mark registration nos. 1997/ 14283 CENTURY CITY and 1997/ 14284 – 7 CENTURY CITY device by using, in the course of its trade, the trade mark CENTURY CITY, or any confusingly or deceptively similar trade marks in relation to those services in respect of which the applicant's trade mark is registered, or any goods or services which are so similar to the services to which the applicant's trade mark registrations relate that in such use, there exists the likelihood of deception and confusion;
3. The first respondent is interdicted and restrained from passing-off its business as being that of the applicant, or being associated with or endorsed by the applicant, by making use of the trade mark CENTURY CITY or any confusingly or deceptively similar marks;
4. The first respondent is interdicted and restrained from utilising the trade mark CENTURY CITY as part of the first respondent's name or trading style or as part of any domain name or website on the internet;

5. The first respondent's close corporation name is declared to be undesirable in terms of Section 20 of the Close Corporations Act of 1984;
6. The first respondent is directed, within ten days from the date of this Order, to apply to the second respondent to change its name to one not incorporating the trade mark CENTURY CITY or any confusingly or deceptively similar trade marks;
7. The first respondent is directed forthwith to transfer the domain name registration centurycityapartments.co.za and control over the domain name centurycityapartments.co.za to the applicant;
8. The first respondent is directed to remove from all matter in its possession or under its control, and from any websites on the Internet under its control, the trade marks CENTURY CITY, or any confusingly or deceptively similar trade marks, where it is used as part of the first respondent's corporate name, brand name, trading style, domain or trade mark;

Alternatively, where the trade mark so applied is incapable of being removed from the matter to which it has been applied, delivering up such matter to the applicant for destruction;
9. The first respondent is directed to pay the costs of this application, such costs to include the costs consequent upon the employment of two counsel.

DAVIS J