IN THE HIGH COURT OF SOUTH AFRICA
(WESTERN CAPE HIGH COURT, CAPE TOWN)

Case No: 6939/2011

In the matter between:

BLOOMBERG'S POSTERITY INVESTMENTS (PTY) LIMITED — **Applicant**

and

THE REGISTRAR OF COMPANIES — **First Respondent**

BLOOMBERG FINANCE L.P. — **Second Respondent**

JUDGMENT DELIVERED ON 8 NOVEMBER 2012

ALLIE, J

[1] Applicant brought this application to set aside an order of first respondent directing Applicant to change its name in terms of section 45(2) of the Companies Act,1973.

[2] It is applicant's case that this court should review the decision of the registrar in terms of section 48 of the Act.

[3] Applicant alleged that its main object is investment for principal use. It denied that applicant's name was chosen with the intention of passing off its

business as that of second respondent. Applicant is part of a cluster of companies created by Israel Lester Joseph Bloomberg.

[4] Applicant alleges that at the time when it was registered as a company, on 10 July 2009, there were 13 companies dating from 1997 and 2 close corporations registered within the ILJ Bloomberg Group in South Africa. Accordingly, it was alleged, that affords the ILJ Bloomberg Group a vested right to include Bloomberg in the name of any company which would conduct business in the Group. Among those companies are Bloomberg Property Investments and Bloomberg Investment Holdings.

[5] The second respondent objected to the use of applicant's name and the applicant responded thereto. Thereafter, the registrar made his ruling. It is that decision that is being challenged in this case.

[6] The registered address of the applicant is in Plattekloof, Cape Town and on applicant's behalf it was argued that no person would confuse applicant with the well known international investment advisory company that is second respondent.

[7] Applicant alleged that the Bloomberg Group Management Companies under which Bloomberg's Posterity Investments (Proprietary) Limited (hereinafter

referred to as ("Posterity") resorts, is meant to manage private Bloomberg Group activities and interests and to hold investments in the interests of the Group.

[8] Applicant submitted that Posterity makes and facilitates various loans to and from the other entities within the Bloomberg "group". It also owns assets such as motor vehicles and computers which it rents to the other companies in the Group. It also charges the other companies in the "group" consulting and management fees.

[9] Applicant alleged that Posterity does not provide goods and services to third parties outside the "group" but acknowledged that it has made interest bearing loans to individuals outside the cluster of associated companies.

[10] Applicant alleged that Bloomberg Finance L.P was registered as an external company in South Africa on 13 May 1999 which was after several companies in the ILJ Bloomberg "Group" were already registered in South Africa.

[11] Applicant admits that the second respondent is a reputed company that offers products and services to businesses and financial professionals, such as: financial software, news and data, on a single all inclusive platform as well through radio, television, magazines and internet communication. It provides financial software tools, such as analytics and equity trading platforms, data services and news to financial companies, organizations and individuals.

[12] Second respondent has adopted various trade marks containing BLOOMBERG, either singularly or in conjunction with other words. The first application for the registration of second respondent's trade mark was filed in South Africa on 9 September 1994 and it now has 41 registrations in South Africa containing the word Bloomberg.

[13] Second respondent also owns over 1000 domain names incorporating the word Bloomberg.

[14] Second respondent has over 1511 subscribers in South Africa. Its website receives over 50 000 visitors monthly from South Africa. Its principal office in South Africa is in Sandton. It has two news bureaus in Cape Town.

[15] Second respondent suggests that Posterity's name goes beyond applicant's previous fields of operation, namely medical and real estate. Second Respondent alleged that as the name implies financial services at its core and is calculated to cause damage to second respondent, it is precisely that type conduct sought to be prohibited by section 45 of the Act.

[16] Second respondent alleged that the name implies that the company makes investments or allows investments to be made. There is nothing

prohibiting the applicant from conducting the type of activities similar to that of second respondent in the future.

[17] Applicant alleged that its core services are to make and facilitate loans and to lease movable assets within the "group", yet it refers, to loans advanced to certain private individuals which resulted in litigation. There is clearly no prohibition on the Applicant providing loans to persons outside ILJ Bloomberg's associated companies.

[18] In motion proceedings for final relief, where there is a *bona fide*, material dispute of fact, as in this case, the dispute here being whether or not applicant's core business is to provide financial assistance to companies in its stable only, the following rule enunciated in **Stellenbosch Farmers' Winery Ltd v Stellenvale Winery (Pty) Ltd 1957(4) SA 234(C) at 235 E-G** and qualified in **Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) at 634E - 635 C** is applicable: The dispute has to be resolved by accepting the evidence of the respondent together with evidence of applicant that have not been challenged by the respondent.

[19] Applicant's loan to a private individual contradicts its allegation that it only makes loans internally to associated companies.

[20] Applicant does not address the fact that it could in the future compete with respondent by offering to the public, some of the services or financial products that respondent does.

[21] On applicant's behalf, it was argued that the words "Bloomberg's Posterity" implies the succeeding generations of ILJ Bloomberg and can be considered to be a distinguishing feature from Bloomberg L.P. To acquire that meaning, however, the average consumer would have to know that the Bloomberg whose surname features in the name of applicant is a different person from the one which inspired the name of second respondent.

[22] In **Brian Boswell Circus (Ltd) and Another v Boswell- Wilkie Circus (Pty) Ltd 1985(4) SA 466(A)**, it was argued that a person's name is part of his identity and accordingly a person must acquire rights to protect his name and to exploit it.

[23] Corbett JA in the Boswell case, relying on the case of **Jamieson v Jamieson [1898] 15 RPC 169**, found that a party accused of passing off cannot use a surname that has already acquired a distinctiveness and is universally known in the market without making it clear to the public that he is not the original user of that name in the market.

[24] Since the notoriety of Bloomberg Finance LP is admitted by applicant, there can be no question that it has come to bear a secondary meaning in relation to finance and investments. The secondary meaning is described in **Boswell's case** and in **Policansky Bros Ltd v L & H Policansky 1935 AD 89** as being corporeal or incorporeal rights to a name that is so well known that it has created a distinct association between the goods or services sold and the name.

[25] Primarily, in terms of section 45(2), the two crisp issues for consideration are the following:

25.1 Is the name Bloomberg's Posterity Investments undesirable;

25.2 Or calculated to cause damage to the second respondent.

[26] In **Polaris Capital (Pty) Ltd v The Registrar of Companies & Others 2010 (2) SA 274 (SCA)**, the court considered the question of undesirability and relied upon the case of **Peregrine Group (Pty) Ltd & Others v Peregrine Holdings Ltd & Others 2001 (3) SA 1268 (SCA) at para 15** where the court held as follows:

"In my view it is inappropriate to attempt to circumscribe the circumstances under which the registration of a company name might be found to be undesirable. To do so would negate the very flexibility intended by the legislature by the introduction of the

undesirability test in the section and the wide discretion conferred upon the Court to make such order as it deems fit. For the purposes of the present matter, it suffices to say that, where the names of companies are the same or substantially similar and where the likelihood that members of the public will be confused in their dealings with the competing parties, these are important factors which the Court will take into account when considering whether or not a name is undesirable."

[27] When adjudicating upon an application of this nature, Section 48 enjoins the court to deal with the merits of the objection afresh and not as a review of the Registrar's decision. The court has the power to hear further evidence and to consider the merits as a court of first instance. [see: **Krediet Bank van Suid Afrika Bpk v Registrateur van Maatskappye en Andere 1978(2) SA 644 (W) at 650 C-D; Similar company names: A comparative analysis and suggested approach- Part 2 1999(62) THRHR 57 at 68-69 by J B Cilliers.**]

[28] There can be no quibble with the fact that the words: "Bloomberg's Posterity Investments" describe a financial investment activity. The words do not describe the provision of internal investment or infrastructure, which applicant suggests is its core function.

[29] Applicant's concession that second respondent is a more reputed company than it, means that members of the public are more likely to seek out the services of second respondent than that of applicant, given the former's well known reputation and success in the field of financial matters.

[30] As stated by **Streicher JA in the Polaris Capital** case, the degree of confusion is a factor to be taken into account in deciding whether or not a company name is undesirable in terms of section 45.

[31] Having failed to challenge the dominant and pervasive nature of second respondent's name and brand in the field of financial investment, it is not open to applicant to allege that members of the public will be capable of discerning between it and second respondent, because applicant has its registered offices in Plattekoof, Western Cape and is a smaller company less known than second respondent.

[32] Accordingly, on applicant's own version, it has to be concluded that second respondent holds a reputation as the leading company with the name Bloomberg which is associated with financial investment.

[33] Clearly South Africans use the internet and have access to second respondent's television channel sufficiently to be familiar with second respondent's products and services. They can accordingly become as confused as any person outside of South Africa could and incorrectly form the belief that applicant is a company associated with second respondent.

[34] Given the globalised nature of financial transactions generally, there is clearly opportunity for a strong likelihood of confusion between the two companies, which cannot necessarily be resolved purely by reference to applicant's offices being in Plattekloof, since second respondent has caused its registered companies to trade in South Africa as well.

[35] In trade mark infringement cases, the person alleging a likelihood of confusion does not have to prove actual confusion precisely because it is too onerous. I can find no authority to suggest that the position is any different for cases brought under section 48 of the Companies Act. [see: **Plascon Evans, supra at para 33-35; Adidas Sportschuhfabriken Adi D Dassler KG v Harry Walt & Co (Pty) 1976 (1) SA 530 (T); John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd 1977 (3) SA 144 (T)].**

[36] Proving actual confusion is onerous as it is not possible to monitor and obtain feedback from members of the public that were indeed so confused simply because people who have no vested interest, do not necessarily wish to become embroiled in the litigation of others.

[37] Since second respondent's name is more often than not associated with financial investments, the name of applicant will clearly lead to it being regarded as having an association with second respondent. I accordingly find that it is

more probable than not that applicant's name is likely to be confused as an associated company of second respondent.

[38] If applicant's alleged objective is to provide financial assistance only to its associated companies, it could choose a name that actually describes that objective more accurately without benefiting from the goodwill created by second respondent.

[39] Second respondent's concern that applicant has not complied with the provisions of the National Credit Act clearly establishes that probable damage or harm to the reputation of second respondent could ensue when members of the public are likely to be confused and believe that there is an association between applicant and second respondent.

IT IS ORDERED THAT:

1. The decision of the Registrar of Companies is confirmed.

2. The application is accordingly dismissed with costs.

ALLIE, J