



**THE SUPREME COURT OF APPEAL OF SOUTH AFRICA**  
**JUDGMENT**

**Reportable**

Case no: 989/2017

In the matter between:

**TRUWORTHS LTD**

**APPELLANT**

and

**PRIMARK HOLDINGS**

**RESPONDENT**

**Neutral citation:** *Truworths Ltd v Primark Holdings* (989/2017) 2018  
ZASCA 108 (5 September 2018)

**Coram:** MAYA P, WALLIS, WILLIS, DAMBUZA and VAN DER  
MERWE JJA

**Heard:** 15 August 2018

**Delivered:** 5 September 2018

**Summary:** Trade mark – expungement from the register in terms of ss 27(1)(a) and (b) of the Trade Marks Act 194 of 1993 – s 27(5) of Act – protection from expungement where mark is a well-known mark in terms of s 35(1) of Act – requirements for proof that mark is a well-known mark – whether there had been bona fide use of mark in South Africa.

---

## ORDER

---

**On appeal from:** Gauteng Division of the High Court, Pretoria (Monama J, sitting as court of first instance):

1 The appeal succeeds with costs, such costs to include those consequent upon the employment of two counsel.

2 The order of the high court is set aside and replaced by the following order:

(a) The respondent's registered trademark, PRIMARK, registration no TM 1976/04952 in class 25 of the trade marks register, is expunged from the register and the Registrar of Trade Marks is ordered to effect the necessary rectification.

(b) The respondent is ordered to pay the costs of the application for removal, such costs to include the costs of two counsel.

---

## JUDGMENT

---

**Wallis JA (Maya P, Willis, Dambuza and Van der Merwe concurring)**

[1] The appellant, Truworths Ltd (Truworths), is a long-established and well-known fashion retailer in South Africa. The respondent, Primark Holdings (Primark), is the fashion retail subsidiary of Associated British Foods plc, an international company with a range of interests, principally in food and agriculture. Primark originated in Ireland, where it is still based, but it has expanded from there into the United Kingdom and also to Spain, Portugal, Belgium, the Netherlands, Germany, Austria and

France. When these proceedings commenced it was contemplating establishing its first store in the United States of America. Although it has never established a store in South Africa, in 1976 it registered the trade mark, PRIMARK, registration no TM 1976/04952, in class 25 of the Trade Marks Register, in respect of ‘clothing; boots, shoes and slippers included in this class’.

[2] Truworths wishes to register the mark PRIMARK in class 25, and proposes to sell clothing under that brand. Relying on ss 27(1)(a) and (b) of the Trade Marks Act 1994 of 1993 (the Act), it brought an application for the removal of Primark’s mark from the register. It did so on the grounds that there was never a bona fide intention to use it on the goods or services in respect of which it was registered, and that there had been no bona fide use of the mark for the statutorily defined period. The application was dismissed by Monama J and the appeal is with his leave.

### **The issues**

[3] The statutory provisions on which Truworths relied provide for a mark to be removed from the register for non-use, either because there was never any bona fide intention to make use of the mark or, more simply, because there had been no bona fide use of the mark for five years preceding a date three months prior to the date of the application for its removal. Under both sections there must have been no bona fide use of the mark in the period up to three months prior to the bringing of the application. The onus of proving bona fide use rests on the proprietor of the mark in terms of s 27(3) of the Act.

[4] Primark contended that there had been bona fide use of the mark during the relevant period, but the principal focus of its argument was

that Truworths was not entitled to invoke the provisions of ss 27(1)(a) and (b), because the Primark mark was a mark entitled to protection under the Paris Convention for the Protection of Industrial Property (1883). Section 27(5) of the Act provides that ss 27(1)(a) and (b) do not apply to a trade mark in respect of which protection may be claimed under the Paris Convention as a well-known trade mark within the meaning of section 35(1) of the Act. In other words, a well-known mark is not subject to expungement from the register on the grounds of non-use in terms of those sections. Primark's contentions in this regard will be addressed first because, if correct, the question of bona fide use of the mark does not arise.

### **Section 35(1) of the Act**

[5] The background to the Act's provisions concerning well-known marks was set out by Harms JA in *The Gap*<sup>1</sup> and need not be repeated. They had their origins in art 6bis of the Paris Convention and ss 35 and 36 of the Act are the statutory means whereby South Africa complies with its obligations under that article. A well-known trade mark entitled to protection under the Act is, in terms of s 35(1)(a):

‘... a mark which is well known in the Republic as being the mark of—

(a) a person who is a national of a convention country; or

(b) a person who is domiciled in, or has a real and effective industrial or commercial establishment in, a convention country,

whether or not such person carries on business, or has any goodwill, in the Republic.’

Section 27(5) reinforces the protection afforded to well-known marks by s 35, by precluding their expungement from the register on the grounds of

---

<sup>1</sup> *A M Moolla Group Ltd v The Gap Inc* 2005 (6) SA 568 (SCA) (*The Gap*), paras 12-14. See also *Novelty Pte Ltd v Amanresorts Ltd and Another* [2009] SGCA 13; [2009] 3 SLR 216 (SCA) paras 166-169 and Michael Blakeney ‘The Protection of Well-known Trademarks’ paper delivered at a WIPO seminar on intellectual property at the University of Cairo in February 2003, [www.wipo.int/edocs/mdocs/arab/en/2003/ip\\_cai\\_1/.../wipo\\_ip\\_cai\\_1\\_03\\_8a.doc](http://www.wipo.int/edocs/mdocs/arab/en/2003/ip_cai_1/.../wipo_ip_cai_1_03_8a.doc).

non-use. This enables the proprietor of the mark to enjoy the protection of a registered mark without the need in every case of possible infringement to prove that it is a well-known mark under s 35.

[6] The only dispute as to Primark's entitlement to claim the protection of the Paris Convention is whether PRIMARK is a well-known mark in South Africa. In determining that question s 35(1A) provides that:

'... due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark.'

This provision was inserted into the Act<sup>2</sup> after the decision of this Court in *McDonald's*.<sup>3</sup> That held that the requirement that a mark be a well-known mark in the Republic under s 35(1) did not mean that the mark needed to be well known among the whole population of South Africa. It merely needed to be well known to persons interested in the goods or services to which the mark related.<sup>4</sup> The amendment made this approach applicable as a matter of statute. As to how many persons in that class must be aware of the mark, this Court held that it had to be a substantial number, similar to that required in the law of passing off. What would constitute a substantial number was a question of fact.<sup>5</sup>

[7] Section 35(1A) refers to knowledge of the mark 'in the relevant sector of the public'. This too flows from the judgment in *McDonald's*, where the Court held that potentially there might be more than one sector

---

<sup>2</sup> By s 65(a) of the Intellectual Property Laws Amendment Act 38 of 1997.

<sup>3</sup> *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another; McDonald's Corporation v Dax Prop CC and Another; McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* 1997 (1) SA 1 (SCA) (*McDonald's*).

<sup>4</sup> At 20B-E.

<sup>5</sup> At 21A-E.

of the public interested in the goods or services of the proprietor of the mark.<sup>6</sup> If there are two or more sectors so interested, they may overlap to some degree, or be entirely distinct. The first task is therefore to identify the relevant sector or sectors of the public and then to determine whether the mark is well known within those sectors.<sup>7</sup> The evidence may show that the mark is well known among the persons constituting one, but not another, relevant sector of the public. I will in due course consider how that situation is to be resolved.

[8] There was a sharp difference of approach between the parties on the identification of the relevant sector of the public. Primark describes its business as that of a discount fast-fashion clothing retailer. Truworths contended accordingly that the relevant sector of the public in South Africa was ‘all South Africans interested in clothes and accessories’. In argument this effectively became all South African consumers who buy clothing. Primark for its part identified a narrower sector of the South African public in the form of those people who are interested and active in the fashion and retail industry, such as retailers of fast-fashion clothing and fashion writers, bloggers and their readers. It said that knowledge of its mark extended to members of the public, who had encountered its stores while travelling, or in references in fashion magazines, blogs and internet searches.

### **Well-known marks and the relevant sector of the public**

[9] Identification of the relevant sector of the public was a central issue in *McDonald's*.<sup>8</sup> The Court held that there were two categories that could

---

<sup>6</sup> At 27 I-J.

<sup>7</sup> *The Gap*, supra, para 18.

<sup>8</sup> *McDonald's*, supra, 27I-28H.

constitute the relevant sector, namely, potential customers interested in purchasing hamburgers and related fast food and potential franchisees of McDonald's restaurants. The former category would be more extensive than the latter. It was potentially a large group, as such food was not expensive, although it would be out of the reach of the extremely poor. The second group would be far smaller consisting of people who knew of the brand's international reputation and success and were interested in exploring the business opportunity afforded by operating a franchise.

[10] The court in *McDonald's* did not need to decide which of these two possibilities was the relevant sector of the public because it held that there was substantial knowledge of the McDonald's marks among sufficient members of both groups. Thus virtually every potential franchisee would know *McDonald's* and its marks as evidenced by numerous enquiries made to McDonald's itself and to a national franchising association. Awareness among consumers would be lower, but was nonetheless sufficiently extensive among people who were interested in the purchase of fast food and sufficiently well off to do so, to justify a finding that a substantial portion of such persons would probably have heard of McDonald's and know its marks or some of them.

[11] In *The Gap* the respondent identified the relevant sector as being individuals aged between 16 and 50 living in A+ income suburbs. It sought to establish knowledge in this sector of the public by reference to evidence of a market survey. The judgment<sup>9</sup> highlighted the fact that potentially there were other sectors of the public that would be relevant to determining whether a mark was well known. It referred to the 'Joint

---

<sup>9</sup> *The Gap*, supra, para 18, fn 20.

Recommendation Concerning Provisions on the Protection of Well-Known Marks Adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO)' (1999). Article 2(2)(a) recommended that:

'Relevant sectors of the public shall include, but shall not necessarily be limited to:

- (i) actual and/or potential consumers of the type of goods and/or services to which the mark applies;
- (ii) persons involved in channels of distribution of the type of goods and/or services to which the mark applies;
- (iii) business circles dealing with the type of goods and/or services to which the mark applies.'

The relevant sector of the South African public identified by the respondent fell under sub-art (i). Harms JA doubted whether the evidence sufficed to show that the mark was well known among members of that sector, but proceeded on the basis that there was some evidence that the relevant mark was well known in the trade. This reflected an acceptance that knowledge of the mark among persons in the sectors falling within sub-arts (ii) or (iii) of the recommendation, would suffice to render it a well-known mark. No final conclusion on the point was necessary, as the case was disposed of on the basis of an assumption that the mark was well known within a relevant sector of the public.

[12] In my view consideration of the possible sectors of the public identified in the WIPO recommendations was the correct approach. WIPO is one of the 15 specialised agencies of the United Nations and its object is to promote the protection of intellectual property throughout the world. It was established in 1967 as the successor to the International Bureaux for the Protection of Intellectual Property, which had been established to administer the Paris Convention and the Berne Convention

for the Protection of Literary and Artistic Works. The Paris Convention is one of the international conventions administered by WIPO. Its recommendations respond to trends and developments in international trademark law.<sup>10</sup> South Africa is one of its 191 member states and a party to the Paris Convention and the TRIPS agreement, which require member states to enforce the provisions of the Paris Convention in regard to well-known marks.<sup>11</sup>

[13] The source of the recommendations was an initiative by WIPO to provide clarity on the identification of well-known marks and the criteria to be used in this process. Accordingly WIPO convened a Committee of Experts on Well-Known Marks meeting in Geneva from 1995 to 1999 for the purpose of ‘considering the criteria that should be used to define what a well-known mark is ... and what measures should be taken to make the protection of well-known marks more effective in the world’. The recommendations are the product of this process and were adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO at meetings in 1999.<sup>12</sup> As a member of WIPO South Africa was a party to these decisions. Therefore, while the recommendations are non-binding, they nonetheless provide a persuasive guide to the interpretation and application of the Paris Convention by courts in this country.

---

<sup>10</sup> WIPO website [www.wipo.int/trademarks/en/](http://www.wipo.int/trademarks/en/) accessed on 18 August 2018.

<sup>11</sup> *The Gap*, supra, para 13.

<sup>12</sup> Frederick W Mostert *Famous and Well-Known Marks* (2 ed, 2004) pp 1-5 to 1-6 and fns 14 and 15.

[14] Article 2(1) of the recommendations deals with the factors to be considered in determining whether a mark is well known. It provides that:<sup>13</sup>

‘(1) [*Factors for Consideration*] (a) In determining whether a mark is a well-known mark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

(b) In particular, the competent authority shall consider information submitted to it with respect to factors from which it may be inferred that the mark is, or is not, well known, including, but not limited to, information concerning the following:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
4. the duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
6. the value associated with the mark.

(c) The above factors, which are guidelines to assist the competent authority to determine whether the mark is a well-known mark, are not pre-conditions for reaching that determination. Rather, the determination in each case will depend upon the particular circumstances of that case. In some cases all of the factors may be relevant. In other cases some of the factors may be relevant.

In still other cases none of the factors may be relevant, and the decision may be based on additional factors that are not listed in subparagraph (b), above. Such additional factors may be relevant, alone, or in combination with one or more of the factors listed in subparagraph (b), above.’

---

<sup>13</sup> The provisions of this recommendation are largely incorporated in the provisions of s 2(7) of the Singaporean legislation corresponding to our s 35. See *Novelty Pte Ltd v Amanresorts Ltd and Another* [2009] SGCA 13; [2009] 3 SLR 216 (SCA) para 136.

[15] These criteria are similar to those to be found in national legislation in some countries and to the factors identified by courts in cases concerning well-known marks.<sup>14</sup> They do not provide a single universally applicable test to determine whether a mark is well known. They constitute a guide to the determination of that question, in accordance with objective factors.<sup>15</sup> They are not inflexible, but set out a basic framework for making the necessary assessment. The assessment is undertaken in relation to what are *prima facie* the relevant sectors of the public, namely consumers of the goods in question and persons involved in the trade in relation to such goods.<sup>16</sup>

[16] Article 2(2)(a) of the recommendations, which is set out in para 11 above, deals with the identification of the relevant section of the public in a country where it is sought to enforce a well-known mark. Which sector of the public is relevant for enforcement purposes will be affected by the nature of the goods or services provided by the proprietor of the mark. In the case of luxury brands aimed at the extremely wealthy, such as the Hotel Cipriani in Venice<sup>17</sup> or the Amanusa resort in Bali,<sup>18</sup> the relatively small group of consumers of the services of those establishments will be the relevant sector. With some speciality goods, such as medical appliances provided to doctors, the relevant group may be limited to the suppliers of such appliances to the doctors, rather than the manufacturers.<sup>19</sup> The proper identification of the relevant group involves

---

<sup>14</sup> Mostert, *supra*, §III; pp 1-13 to 1-15.

<sup>15</sup> *Novelty Pte Ltd v Amanresorts Ltd and Another*, *supra*, para 138.

<sup>16</sup> *Hotel Cipriani Srl and Others v Cipriani (Grosvenor Street) Ltd and Others* [2008] EWHC 3032 (Ch), [2009] RPC 9, approved on appeal *Hotel Cipriani Srl and Others v Cipriani (Grosvenor Street) Ltd and Others* [2010] EWCA Civ 110; [2010] RPC 16 para 87.

<sup>17</sup> *Hotel Cipriani Srl and Others v Cipriani (Grosvenor Street) Ltd and Others*, *ibid.*

<sup>18</sup> *Novelty Pte Ltd v Amanresorts Ltd and Another*, *supra*.

<sup>19</sup> Mostert, *supra*, Ch I, p 1-37.

a factual enquiry that is specific to the particular mark and the goods or services to which it relates.

[17] *McDonald's* illustrates that there may be cases where there is more than one relevant sector. Article 2(2)(b) of the recommendations deals with the situation where the mark is well known in one sector of the public, but not another. It provides that:

‘(b) Where a mark is determined to be well known in at least one relevant sector of the public in a Member State, the mark shall be considered by the Member State to be a well-known mark.’

The effect of this is clear. Provided a party claiming protection under the Paris Convention establishes that its mark is well known in any relevant section of the public, the mark must be taken to be a well-known mark entitled to protection. The fact that it is not well known in other relevant sectors is irrelevant.<sup>20</sup>

[18] When dealing with a mark applied to goods, such as fashionable but relatively inexpensive clothing, sold in the retail market to a wide body of consumers, those potential consumers will constitute one relevant sector of the public. To that extent, Truworths’ submission that the majority of potential purchasers of clothing in South Africa, outside the ranks of the extremely poor and those having no interest in clothes at all, constitute a relevant sector of the public is correct. It submitted that this was the only possible relevant sector.

---

<sup>20</sup> LTC Harms ‘Famous Trademarks’ paper delivered at a WIPO conference in Tokyo in 2017 available at [www.wipo.int/edocs/mdocs/mdocs/en/wipo\\_ipr\\_tyoo.../wipo\\_ipr\\_tyoo\\_17\\_t15.pdf](http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ipr_tyoo.../wipo_ipr_tyoo_17_t15.pdf), accessed 17 August 2018, p 12: ‘A sector of the population must be ‘interested in the goods or services to which the mark relates’ and saying at p 18 that relevant sectors include those identified in Article 2(2)(a) of the WIPO recommendations.

[19] Primark disputed that contention. It identified as a relevant sector people involved in channels of distribution of clothing in the retail sector, together with a far smaller segment of the public. This included all those having a connection with the production and sale of fashion garments and related accessories such as those sold by Primark, especially designers, marketers, buyers employed by retail outlets and the like. It included people such as fashion stylists and commentators on clothing and fashion, whether such comments were made on television, or in newspapers, magazines, fashion blogs and internet sites dealing with fashion issues. Persons studying clothing design, fashion and the design of clothing accessories, as well as those who teach them, would also form part of this universe. Primark likened this sector to the potential franchisees in *McDonald's*.

[20] Sub-art (b) of the recommendations obliges member states to recognise a mark as a well-known mark if it is established that the mark is well known in at least one relevant sector of the public. It is convenient to approach the case by examining the evidence to determine whether the mark is well known to the two groups identified by the parties. If it is well known to the public in both, or in the group identified by Truworths, then that is an end to the matter and Truworths' appeal must fail. If it is well known only among persons constituting the group identified by Primark the question will be whether that is a relevant sector of the public for the purposes of Paris Convention protection.

### **The evidence**

[21] Primark adopted the PRIMARK mark in the early to mid-1970's when it was expanding from its Irish base to the United Kingdom. In 1976 it caused the mark to be registered in South Africa and at much the

same time registered it in a number of other countries. It expanded dramatically from the year 2000, as demonstrated by the schedule of store openings provided to the court.<sup>21</sup> It entered markets in Europe in 2006 and by 2014 it had 270 stores in 9 countries and was about to enter the US market. Its focus is primarily on fashionable clothing at affordable prices, although it also sells homeware, accessories, beauty products and confectionery. Its annual turnover in the five years from 2009 to 2013 was slightly less than £16 billion. Over the same period its worldwide advertising and promotional spend was more than £57 million. It had two websites, one with a United Kingdom address and one with a top level domain registered for a commercial organisation. It also had a Facebook page and a Twitter account. When Mr Shields deposed to his affidavit the former had received over 3 million ‘likes’ and the latter had over 54 000 followers. Some at least of the latter were South Africans.<sup>22</sup> Nearly 450 000 people followed its Instagram account and again this included some from South Africa. There had been over 40 000 hits on its websites from South African locations.

[22] In regard to Primark’s visibility and reputation in international retail circles it has won a wide range of awards from various bodies, of which the most prestigious appears to have been when in 2010 it won an industry award as the Multi Market Retailer of the year at the World Retail Awards in Berlin. Delegates from 56 countries, including South Africa attended the award ceremony. Two major South African retailers, Truworths and Woolworths, won awards at the same ceremony. The

---

<sup>21</sup> Over 120 of its UK stores have opened since 2000 and all of its 76 stores in mainland Europe were opened between 2006 and 2014.

<sup>22</sup> The locality of a person following a Twitter account is identified by the underlying analytics. The same is true of other social media. In this way the operator of a website is able to target the site visitor with advertisements from people in the visitor’s home country.

award to Truworths was as the Emerging Market Retailer of the Year.<sup>23</sup> There was no challenge to the prestige or international awareness of these awards in retail circles, including South Africa.

[23] Primark was also recognised as one of the top 250 retailers and one of the 50 fastest growing retailers in reports published by a large international business consultancy, Deloitte, entitled ‘Global Powers of Retailing’ published in 2010, 2012, 2013 and 2014. Of particular interest here is that other well-known South African retailers, such as Shoprite Holdings Ltd, Pick n Pay Stores Ltd, Massmart Ltd, the SPAR Group and Woolworths Holdings Ltd,<sup>24</sup> featured in the same publications and lists. Again there was no challenge to the relevance of these reports and that they would have promoted awareness of Primark in retail circles in South Africa. Four of the retailers mentioned above are clothing retailers, amongst other things, as anyone who has ever visited their stores will be aware. The only response by Truworths was to say that they are aware of Primark and its PRIMARK mark overseas.

[24] Awareness of Primark’s business and its mark among clothing retailers in South Africa was established by affidavits from five deponents who were active in the clothing retail sector in South Africa. Ms Hamman, the marketing director of Ackermans, said that Primark was the first place their buyers visit when they are in Europe and that they follow the brand, its merchandising, advertising and in-store campaigns closely. They also purchase stock lots of other Primark sub-brands for

---

<sup>23</sup> In its Annual Report for 2017 Truworths says that: ‘One of the highlights of the group’s illustrious history was being recognised as the Emerging Markets Retailer of the Year at the World Retail Awards in Berlin, Germany, after being placed second in 2009.’

<sup>24</sup> Some editions also included the Steinhoff Group, which was largely seen as a furniture retailer, but also owned Pepkor, the owners of PEP Stores and Ackermans, both major clothing retailers.

resale in South Africa. Her evidence was supported by Ms du Toit, the Central Buying Manager of Ackermans, who said that she was familiar with the PRIMARK brand and its main store in London, where she had purchased clothing for her own family.

[25] Three people employed by Foschini Retail Group (Pty) Ltd also deposed to affidavits. Ms Lederle, a buying manager, said she had encountered the PRIMARK name many times during the previous ten years and regularly visited its shops in the United Kingdom and Spain as well as acquiring samples for discussion with her group of buyers. The Primark 'look' is something her team discuss frequently. Ms Matthee, the head of buying for casual wear, said that she was very familiar with Primark and frequently visited its store in London during buying trips. She had bought clothing for herself and her family there. She regarded it as one of the most well priced, fashionable retailers in the world. Ms Brumfield, the head of buying for ladieswear with 23 years experience as a buyer in the fashion industry, had worked for Truworths before joining Foschini. She said that she knew Primark well as a store that stocked the latest trends, but represented great value. She had shopped there regularly during her overseas buying trips. Primark was discussed with her team of buyers, who reported to her through three managers, and it was viewed as an attractive brand.

[26] Save for an initial challenge to its admissibility, none of this evidence was challenged. Nor was that of a fashion blogger, Ms Harding, who created her blog in 2013 to share information about the fashion industry with her approximately 15 000 readers. She had a lengthy background in the fashion industry as a designer, marketer and freelance style and beauty writer. She said that she had been aware of the

PRIMARK brand for many years and had encountered it while travelling in the United Kingdom. It was a well-known brand in the fashion industry and in her opinion would be familiar to most South Africans who had lived or travelled in the United Kingdom. In initially opposing the admission of this affidavit Truworths complained that it was not a response to the market survey evidence it tendered, which evidence will be discussed in due course, but importantly it did not challenge its contents at a factual level.

[27] There is some evidence that Primark was known and regarded as newsworthy to at least some readers of the financial press. An article appearing on a well-known financial news site in May 2014 reported on the intended launch of its US store and the appointment of the head of its Spain and Portugal division to head this venture. The news site was aimed at a general readership and was headed “Primark gears up for US market”. A side panel identified related articles for its readers as including one about Marks & Spencer losing market share in the United Kingdom and another about the South African retailer Edgars selling a ‘top UK clothing brand’. The article presupposed that its readers would be interested in retailing activity in the United Kingdom and would be aware of Primark and its rise to prominence. The same was true of another business article, which referred to a proposed revamp of a local retailers stores and mentioned that the designers had worked with brands such as “Next, Sony, Primark, Levi’s, Topshop and Nokia”. A third article about the rising cost of cotton said that Primark and other international retailers, such as H&M and Levi Strauss, had warned of higher prices.

[28] The evidence of Ms Harding drew some support from a number of extracts from online magazine sites and blog posts directed more

specifically at a South African audience. One blog entitled ‘Stylescoop’ had a posting in 2009 about shopping in London and referred to a number of fashion outlets in London, including Primark, although with the slightly less than flattering line that ‘if you just want bags and bags of goods, with minimal concern for quality then Primark is your destination’.<sup>25</sup> Rather more flattering was a 2013 post on a local website describing it as a ‘go to place for fashionable clothing’ for the budget conscious.

[29] The latter blog also mentioned the disastrous collapse of a building in Bangladesh housing clothing factories. It said that Primark sourced goods from this manufacturer, but was offering aid to the affected families. The writer compared its approach favourably with that of two other fashion retailers, both of which were based overseas, but had stores in South Africa. Like the financial articles already mentioned, it presupposed that its readers would be familiar with Primark and the other two retailers as well as the tragedy in Bangladesh, which had featured prominently in news media in South Africa. News articles from three separate news outlets were put up as annexures to the opposing affidavit all referring to Primark’s involvement with the factory. All three articles were written from the perspective that their readers would know Primark and the other foreign retailers it mentioned. The one article published a photograph of demonstrators standing outside a Primark store with its name prominently displayed above their heads.

---

<sup>25</sup> The writer of another article confessed that she could not bring herself to enter Primark. Presumably this was annexed on the principle that no news is bad news and Primark was concerned with knowledge of its brand, not whether it was liked.

[30] Pages from other fashion web sites annexed to the opposing affidavit mentioned Primark along with other clothing retailers in London, such as Selfridges, Topshop, Forever 21, New Look, H&M, River Island and Hobbs. An article about a popular singer mentioned that she bought some of her clothes at Primark and H&M. Blog entries from a site entitled Style Guide CT identified some of the clothes being worn in the pictures as being from Primark and suggested that some out of season stock might be available for purchase at a Cape Town boutique. A blog about shoes mentioned that the writer was wearing a pair from Primark. Another showed a handbag from the same source.

[31] The record included 88 pages downloaded from the websites of two well-known fashion magazines, Marie Claire and Elle, which were said to have circulations of 35 000 and 45 000 respectively in South Africa. A careful perusal revealed a total of 4 pages where a model or member of the magazine's staff was pictured and one or other item of clothing they were wearing was said to emanate from Primark. In one instance the item was a pair of 'secret' socks that were invisible to the viewer. The following 65 pages of the record produced even leaner pickings with three similar items.

[32] Insofar as the evidence extracted from the internet and described in the preceding two paragraphs was directed at showing that the Primark brand was well-known among younger more fashion conscious people in South Africa, it failed in that purpose. A handful of references over a couple of years to some random items of clothing having emanated from Primark was hopelessly inadequate to establish the requisite degree of knowledge of the mark among a substantial sector of South African consumers. At most it indicated that possibly there was some interest in

and knowledge of Primark among those who paid close attention to such matters at the relevant time, but it did not go beyond that.

[33] Given the prominence of Primark in the United Kingdom there must inevitably have been a measure of spillover knowledge of the mark among visitors to the United Kingdom from South Africa. The information placed before us shows that there are several hundred thousand people of South African origin living in the United Kingdom and that many people visiting the United Kingdom from this country do so to visit relatives or for business or recreational purposes. Many visitors from South Africa shop while they are there, including for clothes. Tax refund receipts for South African shoppers at Primark from 2009 to 2014 show nearly 3 000 claims on transactions amounting to a little more than £600 000. Bearing in mind that Primark prides itself on its low prices and that tax refunds are only available on amounts in excess of £100, it is probable that sales to South Africans are considerably higher than that. However, shopping in the United Kingdom, even for reasonably priced fashion clothing is something that only a minority of South Africans are able to do and those are principally drawn from those falling in higher income brackets.

### *The consumer survey*

[34] Truworths commissioned a consumer survey to assess whether the Primark brand was well known in South Africa. Such surveys are an accepted method of assessing such matters. They are based on the Central Limit Theorem that holds that if independent samples are drawn randomly from a universe the individual results will be different, but will have what is referred to as a normal distribution. In this case the survey was based on a primary and a secondary universe. The primary universe

consisted of adults aged 18 and over, resident in the main metropolitan areas of Cape Town, Durban and Johannesburg, including Soweto. The secondary universe was identified as those individuals who had purchased any type of clothing in South Africa prior to 6 May 2014, whether from a retailer or on the internet.

[35] The survey was conducted by way of interviews of 500 respondents identified by statistical methods that have not been criticised by Primark and can be accepted as appropriate for conducting such a survey. The respondents were asked first whether they recognised ten marks shown to them in random order. The second question, in order to ascertain if they could identify the marks they claimed to recognise, was “What is it?”. The other questions were whether they purchased clothes from South African retailers and whether they had done so in the period prior to 6 May 2014. These latter were directed at identifying the secondary universe. The answers to all the questions were then collated and ‘grossed up’ to a population universe of 6 848 000 adults fitting the profile of the primary universe in the three main metro areas. The figure of 6 848 000 was obtained from statistical sources the reliability of which was not questioned.

[36] The outcome of the survey was that 3.5 per cent of respondents claimed to know the mark PRIMARK. Of the 3.5 per cent, 0.9 per cent regarded it as a clothing store; 0.6 per cent as simply PRIMARK; 0.4 per cent as a retail store and 0.2 per cent as a London store. The balance thought it sold household appliances or food. The other foreign mark used in the survey, Marks & Spencer, fared somewhat better. It was recognised by 8.4 per cent of respondents and broadly speaking the vast majority of them knew the nature of its business.

[37] There was far greater familiarity among the respondents with the eight South African brands used, namely Capitec Bank, Clicks, Jet, Mr Price, PEP, Pick n Pay, Truworths and Woolworths. The level of recognition varied between 96 per cent for PEP stores and 85.4 per cent for Truworths, with the bulk of respondents being able within broad parameters to identify the nature of the businesses in question. It is fair to say that this result was to be expected when dealing with a sample universe based in the major metropolitan areas. Seven of these marks identified what are probably the best-known stores in the country. All of them have a broad national distribution with outlets in many shopping centres as well as the central and suburban areas of the three major metros. They are household names.

[38] No criticism was addressed to us concerning the methods used in conducting the survey or the validity of the sampling process and the statistics underpinning the survey. In argument it was submitted that it was therefore decisive of the issues in this case because it was unchallenged evidence of a scientific nature. That submission went too far. Like any other expert evidence the court is obliged to assess the internal logic of the evidence and its probative value in accordance with the issues in the case. If it is not addressed to those issues then, however meticulous the methods adopted in arriving at the conclusion, it will be unhelpful.

[39] The principal difficulty with this survey is that it is directed at the broadest possible universe of adults over the age of 18 years in our three major metropolitan areas. Given the diversity of our population it was to be expected that overwhelmingly they would not have heard of a retail

fashion outlet in the United Kingdom and Europe catering to those who aspire to fast fashion at affordable prices. The majority would not gloat, as did one blogger, at the prospect of buying a denim jacket for £16 or a dress for £17. The result of the survey was to be expected.

[40] The relatively few respondents who recognised Primark (either 17 or 18 out of 500, constituting 3.5 per cent of the 500 surveyed) would be expected to be drawn from the much smaller proportion of our population that is literate, has access to the internet, is interested in fashionable clothing, has spare disposable income and has travelled overseas or has contacts overseas. The far better known Marks & Spencer name, which had a previous connection to Woolworths in South Africa, was recognised by only 8.4 per cent of respondents amounting to about 42 respondents. When counsel was asked whether Marks & Spencer was a well-known brand for the purposes of s 35(1), he was understandably reluctant to give a definite answer. His reticence, like the survey itself, was indicative of a fundamental problem. That problem was whether the survey, commissioned to assess the degree of knowledge of the PRIMARK mark, was directed at the correct sector of the South African public.

[41] The survey report and the affidavits did not reveal who determined the issues that were the subject of the survey and, more importantly, the sample to be surveyed. Dr Corder said that the questionnaire was formulated by the company undertaking the research in consultation with himself and Truworths' attorneys. As neither Dr Corder nor the survey company would know in advance or understand the purpose of the survey, it seems probable therefore that Truworths' attorneys identified the sector of the South African public to be surveyed in accordance with

their view, as a matter of law, that this was the correct sector. Of course if the appropriate sector was incorrectly identified the value of the survey would be limited. In my view the survey cast its net too widely.

[42] The result is that the evidence in the survey is only of limited assistance. It confirms that PRIMARK is not recognised by the vast majority of adult South Africans living in our major metropolitan areas. It can be inferred that it would be even less well known if one extended the question to the whole population of this country. If that were the correct sector of the population to be considered in determining whether the mark was a well-known mark, the answer would be that it was not. The issue is whether that was the sector of the population that had to be considered and, if it was, whether it was the only relevant sector of the public that had to be considered.

### **Discussion**

[43] Truworths said that the relevant sector of the public in regard to whether PRIMARK was a well-known mark in South Africa in terms of s 35(1) of the Act would consist of ‘actual and/or potential consumers of the type of goods and/or services to which the mark applies’. Even though Primark describes itself as a ‘discount fast-fashion clothing retailer’, it is unlikely that its potential customers in South Africa would encompass the entire primary universe identified in this way and in the consumer survey. I accept that everyone needs, and in some way or other is obliged to acquire, clothes. However, given the way in which Primark projects itself, with enormous stores in the major shopping streets and shopping malls of international cities, and stores in malls in other significant urban and suburban areas, I think it improbable that its

potential market in South Africa would extend to the poorer echelons of our society, or the bulk of our rural towns.

[44] In my view Primark's potential customers in this country would primarily be residents in urban and peri-urban areas with some disposable income after paying for life's necessities. They would be looking for inexpensive clothing with some aspiration to be stylish and perhaps some knowledge, whether through the written word or word of mouth, of fashionable brands. This does not mean that only the educated, affluent and travelled fall into this category. Even relatively poor and unsophisticated people may be aware of brand names and aspire to them in the same way as more sophisticated consumers. Street traders selling counterfeit goods with barely disguised logos or brand names of international brands can be seen every day selling their wares on our city streets. The reason they do so is that people are aware of those brands and aspire to own goods bearing them.

[45] The relevant sector of potential consumers was therefore narrower than Truworths contended. But one cannot narrow the sector to the extent that Primark sought to do, restricting it to the better-educated and more affluent members of society. That is not an accurate picture of the consumers it targets. While it is likely that a larger proportion of this sector of the population would be aware of Primark, many of them would have no interest in the clothing it offers. As mentioned above, one of the travel and fashion writers said that she could not bring herself to enter Primark. That reflects that some people may not be potential consumers of goods from stores they regard as 'downmarket'. Consumers who may be interested in luxury goods or services can be identified reasonably accurately on the basis of economic status. But, generally speaking, when

one is dealing with a clothing retailer aiming to provide fashionable clothes at low cost, the more affluent consumer is not the person they are aiming to attract. The market is broader encompassing much of the middle to lower income groups.

[46] In my opinion that is a reasonably accurate description of the body of consumers in South Africa who would be interested in shopping at Primark. When dealing with a group of potential customers of that breadth it is inevitably difficult to assess whether a substantial number of them know the mark of a retailer aiming at a similar target market in other countries. The task is even more difficult in a society such as South Africa, which is heavily stratified along lines of race, class, culture, education, language and economic circumstance. What is clear from the evidence summarised earlier in this judgment is that those identified as having knowledge of PRIMARK were not broadly representative of the middle to lower income groups in South Africa. The majority in those groups do not look forward to overseas travel, much less shopping trips in London, although if they had the opportunity to go there they might very well shop at Primark, rather than more expensive clothing chains. The readership figures show that by and large they do not read glossy fashion magazines such as Elle or Marie Claire and if they have access to the internet they are more likely to use it to search for jobs, rather than surfing fashion websites and reading blogs.

[47] A disquieting feature of this case is that Truworths has never disclosed its reasons for wishing to register the PRIMARK mark. It was extremely coy about its knowledge of Primark's business and the use to which it intended to put the mark, saying only that it intended to use it on clothing. It must have been aware of the mark, at least at an international

level, from 2010 when they were both winners of awards at the World Retail Awards. It incorrectly said that it only discovered the existence of the registered mark on the South African register in November 2013. That was inconsistent with the fact that in September 2013 its attorneys instructed an investigator to investigate whether there had been use of the mark in this country. The original application said disingenuously that, other than knowing the location of Primark's head office in Dublin, Truworths had 'no further information' on the nature of its business. After this was shown to be dishonest, the replying affidavit grudgingly admitted that Truworths was aware of Primark's business and its PRIMARK trade mark overseas.

[48] Counsel for Primark urged us to hold that the reason for this reticence was that Truworths recognised the value and attractiveness of the mark and that it was well known in South Africa. A similar argument was successfully advanced in *McDonald's*.<sup>26</sup> In my view it does not transplant well to this case, in part at least because the PRIMARK brand is as much associated with the stores as with the merchandise in the stores. People shop 'at' Primark rather than 'for' Primark clothes. Material in the record shows that it sells clothing under various sub-brands. Several offers on the eBay printout it attached to the answering affidavit described items as 'Atmosphere', either alone or in conjunction with Primark.

[49] Truworths' claimed intention was to use the mark on clothing, not to open stores under that name, which might devalue its own mark. Its more probable purpose, as conceded by its counsel in answer to a

---

<sup>26</sup> *McDonald's*, supra, at 23H-1 and 28G-H.

question from the bench, was to register its own mark and make limited use of it, intending thereby to prevent Primark entering the South African market. Primark's counsel mooted this possibility in the heads of argument and I agree that on the face of things it was the most probable reason for Truworths seeking to secure registration of this mark in its own name. That being so it was not motivated by a view that the mark is well known in South Africa, but by a desire to block competition from a potentially dangerous rival.

[50] For those reasons I do not think that Primark succeeded in showing that a sufficiently substantial number of potential customers for its goods in South Africa knew its mark. But, as pointed out earlier, that is not an end to the matter. There are still questions whether it is a well-known mark to the sector of the public constituted by people involved in the marketing and distribution of the type of goods in which Primark trades and, if so, whether that is a relevant sector of the public for the purposes of s 35(1) of the Act.

[51] There can be little doubt that the mark is well established. It has been extensively used in the United Kingdom for some forty years as the brand has developed. That use expanded rapidly in Europe in the eight years between 2006, when the first store was opened in Madrid, and 2014, when these proceedings were launched. The business has a substantial turnover and the mark is widely and extensively advertised. It has achieved recognition both in its home markets and internationally. The latter is demonstrated by the Multi Market Retailer of the year award in 2010 and its consistent appearance in the industry analyses published by a major consultancy.

[52] The evidence of the various buyers from Ackerman's and the Foschini Group supports the conclusion that within the retail trade in clothing in South Africa, apart from that for up-market, luxury brands and clothes by well-known designers, the mark PRIMARK is well known. Truworths' desire to protect itself from competition from Primark lends support to that conclusion, as does the prominence that it enjoys in the reviews of world trends in retail markets produced by Deloitte. The evidence about fashion magazine and blog references also supports the notion that among this group of persons operating within the retail fashion market in South Africa the mark was well known.

[53] Insofar as it related to persons with no connection to the fashion industry, the evidence in relation to people shopping in London or visiting one of the Primark websites on the internet, did not advance Primark's case. The reason is that the bulk of the individuals concerned would themselves be actual or potential consumers of Primark's goods and therefore fall into the sector of the South African public identified by Truworths. They fall in the 3.5 per cent of South Africans identified by the consumer survey. There is no good reason for distinguishing them from the general body of consumers or treating them as different on the grounds of education, relative affluence, opportunity to travel or the like.

[54] Accepting that the Primark mark is well known to the portion of the South African public engaged in the design, distribution and retail of inexpensive fashion clothing, the next issue is whether this is a relevant sector falling within either of the classes identified in the WIPO recommendations, namely 'persons involved in channels of distribution of the type of goods' or persons within 'business circles dealing with the type of goods'.

[55] Counsel submitted that this sector of South Africans fell within these groups, or perhaps straddled them, and it was akin to the potential franchisees in the *McDonald's* case. I do not agree. The class of potential franchisees in that case existed because there was evidence that over a period of years 242 individuals had approached McDonald's directly with a view to entering into franchise agreements for restaurants in South Africa. A leading figure in the Franchise Association of South Africa gave evidence that he had received 'numerous requests, too numerous even to have counted' from prospective franchisees and ordinary members of the public about opening a McDonald's franchise. In other words there was substantial evidence of persons wishing to enter into business relationships with McDonald's with a view to supplying McDonald's goods under McDonald's trademarks to the South African consumer. The inference was that their reason for doing so was their knowledge of the attractive force of the McDonald's marks.

[56] The attempt to draw an analogy between *McDonald's* and the present case was misplaced. By contrast to the position in *McDonald's*, there was no evidence in this case of South African retailers or other possible distribution channels seeking to form a relationship with Primark with a view to selling Primark branded clothing in this country. The mark is well known to people in the clothing retail sector because they wish to emulate its success for themselves. It is entirely natural for a South African business of any substance to keep in touch with trends among businesses of a similar type in other countries, in order to copy and, if possible, emulate their successful business policies and avoid their mistakes. That is precisely what the five buyers who deposed to affidavits said they were doing, namely, keeping in touch with similar retailers with

a view to improving their own employers' businesses. They were not aspiring to enter into an arrangement with Primark to become a channel for distribution for its wares in South Africa.

[57] That highlights an essential requirement for any identified sector of the public to be regarded as a relevant sector in an enquiry whether a mark is a well-known mark in South Africa. The persons constituting the sector in question must know of and be interested in the mark for the reasons that trade marks are given protection, namely their attractive force in the trade in goods and services and their role as a badge of origin of those goods and services. The essence of a trade mark is that it shows a connection in the course of trade between the goods or services concerned and the proprietor of the mark.<sup>27</sup> The purpose of protecting it is to preserve the value of the mark to the proprietor and prevent its appropriation by another or its dilution. Actions that do neither of those things do not amount to an infringement of the mark, as illustrated by the *Verimark* case, where the appearance of BMW's logo on a car in an advertisement for car care kits and car polish was held not to constitute infringement.

[58] The reasons for a party claiming protection for a well-known mark are the same as the reasons for protecting a registered mark.<sup>28</sup> The mark must be well known in a sector of the public that would be vulnerable to being deceived or confused if the mark was used by a third party. Consumers of the goods or services in respect of which the mark is used fall in this category. So may people seeking to distribute those goods or

---

<sup>27</sup> *Verimark (Pty) Ltd v BMW AG; BMW AG v Verimark (Pty) Ltd* 2007 (6) SA 263 (SCA) paras 5 to 7.

<sup>28</sup> Mostert, *supra*, Ch 1, p 1-44.

services. If McDonald's had been unable to protect its well-known marks, franchises could have been rolled out throughout South Africa under those marks to the confusion not only of the public wishing to eat McDonald's hamburgers from their originating source, but also of people wishing to conclude franchise agreements to operate McDonald's outlets.

[59] Knowledge of a mark may arise in circumstances unrelated to any desire by the people acquiring that knowledge to purchase the goods or services or engage in a business relationship with the proprietor of the mark. Students at a business schools, studying Primark's rapid and apparently successful expansion as a case study in an MBA programme, would know the mark but not for any commercial purpose. Another retailer, seeking to emulate a successful business operating in the same field but in another country, would also acquire knowledge of the mark, but with a view to enhancing the performance of its own business. That type of knowledge of the mark is unrelated to the proprietor's use of the mark for the purposes for which trade mark protection is extended. In order for a mark to qualify as a well-known mark under s 35(1) it must be well known among a *relevant* sector of the South African public. Relevant sectors of the South African public will be constituted by those who are potentially likely to be attracted by the mark's reputation to do business with the proprietor of the mark, whether as consumers, agents, importers, channels of supply, retailers or otherwise. Any other knowledge of the mark is irrelevant for the purpose of determining whether the mark is a well-known mark deserving of protection under s 35(1).

[60] It follows that the class of persons identified by Primark as a relevant sector of the public for the purpose of deciding whether

PRIMARK was a well-known mark in South Africa in 2014 was not in my opinion correctly identified as such. That leaves the only relevant sector as the body of consumers discussed earlier in this judgment and, for the reasons already given, the mark is not well known among them. Primark's reliance on ss 35(1) and 27(5) to resist expungement of its mark must therefore fail. I turn then to consider the question of *bona fide* use of the mark.

### **Bona fide use of the mark**

[61] Bona fide use of a trade mark is use in relation to goods or services of the type in respect of which the mark is registered. The use must be use as a trade mark, for the commercial purposes that trade mark registration exists to protect. It must be use in the course of trade and for the purpose of establishing, creating or promoting trade in the goods to which the mark is attached. The use must be genuine.<sup>29</sup> Genuineness is to be contrasted with use that is merely token, but the line is a fine one, because the use may be minimal.<sup>30</sup> Whether use of the mark was bona fide is a question to be determined on the facts of the particular case.<sup>31</sup>

[62] The evidence of use on which Primark relied in opposing the application for expungement was tenuous in the extreme. It consisted firstly of a single sale of a pair of Ladies Silk Palazzo Pants on a South African website describing itself as an online marketplace. The sale was not at the instance of Primark, was not authorised by it and occurred

---

<sup>29</sup> *The Gap*, supra, para 42.

<sup>30</sup> *La Mer Technology Inc v Laboratoires Goëmar SA* [2004] FSR 38; *Laboratoires Goëmar SA v La Mer Technology Inc* [2005] EWCA Civ 978; [2005] All ER (D) 493 (Jul). In that case the Court of Appeal in England held that five or six sales to a distributor amounting to about £800, with no proof of sales to the public, involved genuine use of the mark.

<sup>31</sup> *Westminster Tobacco Co (Cape Town and London) (Pty) Ltd v Philip Morris Products SA and Others* [2017] ZASCA 10; [2017] 2 All SA 389 (SCA) para 7.

about one month prior to the commencement of these proceedings. Therefore it did not qualify as bona fide use for the purposes of s 27(1)(b). Secondly, reliance was placed on a search conducted on eBay on 13 August 2014 reflecting various Primark labelled garments available for sale with prices expressed in South African currency. As with the first item the sales were not by or on behalf of Primark<sup>32</sup> and the search reflected the position after the commencement of proceedings. The website is based in the USA and the fact that prices were reflected in Rand may be due to the website's algorithm automatically converting prices into the local currency of the viewer. Once again this was not bona fide use for the purposes of s 27(1)(b).

[63] Thirdly, reliance was placed on a statement in a blog by a fashion blogger, Ms Harding, that a website known as ASOS<sup>33</sup> had invited Primark to 'join their great round up of British clothing brands' and that this would make Primark clothing available in South Africa. While the blog post was within the relevant period it did not purport to be by or on behalf of Primark. As ASOS is based in the United Kingdom it did not reflect any intention by Primark to sell its clothes in South Africa. This too was not evidence of bona fide use for the purposes of s 27(1)(b).

[64] Unsurprisingly, in those circumstances the argument that there had been bona fide use of the Primark mark in South Africa during the relevant period was not pressed in argument. It was not abandoned but left on the basis of the evidence outlined in the two preceding paragraphs. In my view that evidence was insufficient to discharge the onus resting on

---

<sup>32</sup> *C/f Morris Material Handling Ltd v Morris Material Handling (Pty) Ltd* [2018] ZASCA 67 para 7 *et seq.*

<sup>33</sup> An acronym for 'As Seen on Screen', which is apparently an online retailer of clothes and fashion.

Primark that there had been bona fide use of its registered mark during the relevant period.

### **Result**

[65] It follows that the appeal and the application for the expungement of the mark PRIMARK in class 25 must succeed, subject only to the point that follows. Such success does not necessarily mean that any application by Truworths for registration of that mark, whether in class 25 or some other class, will necessarily succeed. As foreshadowed in its heads of argument, Primark might seek to rely on ss 10(3) or (7) of the Act to resist such registration, a course on the merits of which I express no opinion. Primark also contended that any attempt by Truworths to use the PRIMARK mark would constitute trade mark infringement under ss 34(1)(b) and (c) and 35 of the Act. It was accordingly submitted that we should exercise our discretion to refuse an order for expungement. The argument appealed to the high court.

[66] The high court did not give any reasons for exercising its discretion in favour of Primark, other than referring to Primark's statutory monopoly. The whole point of expungement proceedings is that the proprietor of the mark in question should not be entitled to any statutory monopoly when it does not make use of it for the purposes for which it was granted. This was a misdirection and we are at large to reconsider the issue. Again it was not strongly pressed in argument and in my view no exceptional circumstances<sup>34</sup> existed to warrant the exercise of any discretion in favour of Primark.

---

<sup>34</sup> *McDonald's* at 32 A-H.

[67] The following order is made:

1 The appeal succeeds with costs, such costs to include those consequent upon the employment of two counsel.

2 The order of the high court is set aside and replaced by the following order:

(a) The respondent's registered trademark, PRIMARK, registration no TM 1976/04952 in class 25 of the trade marks register, is expunged from the register and the Registrar of Trade Marks is ordered to effect the necessary rectification.

(b) The respondent is ordered to pay the costs of the application for removal, such costs to include the costs of two counsel.

---

M J D WALLIS  
JUDGE OF APPEAL

**Willis JA (concurring):**

[68 ] I concur. The reason I do so is that, in terms of the principle of territoriality set in s 35(1) of the Act and affirmed in unequivocal terms in the unanimous judgment of this court in *The Gap*, the mark is not well known in South Africa. It is therefore not entitled to protection under the Paris Convention. It may accordingly be removed from the register on the ground of non-use in terms of ss 27(1) (a) and (b) of the Act. As Wallis JA has correctly observed, there can be no serious contention that the mark has indeed been used by Primark in South Africa, in the manner provided for in the Act.

[69] Truworthis has blatantly claimed that it ‘intends selling clothing under the trade mark in PRIMARK in South Africa and has also applied to register the PRIMARK trade mark in class 25 in its name in South Africa.’ Truworthis therefore intends to be a ‘copycat’ imitator of another’s brand or label. That a court should sanction this endeavour by Truworthis may be disconcerting to the ordinary intelligent reader.

[70] Imitation may be the sincerest form of flattery but may it be permitted, even in circumstances where the ‘impersonation’ verges on deception? *The Gap* makes it plain that, in the absence of ‘something more’, the principle of territoriality prevails over policy considerations of the morality of such imitation.<sup>35</sup>

[71] The principle of territoriality no doubt arose from the desire to avoid the needless restraint of trade in goods or services in one country, the get-up of which happened to resemble or be similar to that in another. In this regard, it is instructive to read s 35(3) of the Act. What harm can arise if customers like to buy goods or services in one country, impervious to the fact that their get-up resembles those in another? Why deprive unconfused consumers of their right of access to goods and services, which are otherwise not unlawful and which they, as customers, wish to enjoy? Nevertheless, territorial isolation is a vanishing phenomenon.

[72] National boundaries and borders may restrict the movement of people, money, goods and services but the osmotic power of ideas and indeed images has intensified immensely in recent decades. Mass air

---

<sup>35</sup> Para 11. See also *Victoria’s Secret Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A) at 745G-748H.

travel, television, the internet and the social media are among the instruments of change that have played their part in this process. Television, for example, beams live international sporting events being played in foreign lands into our living rooms with billboards around the sports ground advertising goods well-known abroad, but not yet frequently encountered here. So, too, we regularly see images of street scenes of towns and cities in other countries. In the twinkling of an eye, a brand or label not well known in South Africa can become embedded in the consciousness of ordinary people living here.

[73] Primark is not well known in South Africa as a brand or a label but Truworths' application, by necessary implication, concedes that Primark has a market reputation that, at least potentially, is worth having. A court may fairly take judicial notice of the fact that the 'theft' of intellectual property, including trade marks, features regularly at summits of political leaders coming from different parts of the world.

[74] If the principle of territoriality in relation to trade marks is to be revisited, in the light of changing social milieux, this will require an internationally concerted political effort and considerable political will. These are matters beyond the province of this court.

---

N P WILLIS  
JUDGE OF APPEAL

### Appearances

For appellant: A R Sholto-Douglas SC (with him M Maddison)

Instructed by: Spoor & Fisher, Cape Town;  
Phatshoane Henney Attorneys, Bloemfontein.

For respondent: C E Puckrin SC (with him L G Kilmartin)

Instructed by: Adams & Adams Inc, Pretoria;  
Honey Attorneys Inc, Bloemfontein.