



## Who's interested in Primark?

by Delene Bertasso

Is it simply those South Africans who can afford to travel to the UK, only to find that, thanks to the weakness of the rand, the only shop they can afford is ... Primark?

The recent Supreme Court of Appeal (“SCA”) decision in the matter *Truworths Ltd v Primark Holdings* pertaining to well-known trade marks is of significance. The issue: does the clothing retail brand Primark enjoy protection in South Africa as a “well-known mark”? In South Africa, as in many other countries, the law provides protection to trade marks that, although not registered, may be well known in the country. This is in line with article 6*bis* of the Paris Convention.

Primark had a 1976 South African trade mark registration for Primark in class 25 for clothing. The South African retailer Truworths applied to cancel that registration on the basis of non-use. Primark, had indeed not made use of the mark in South Africa, but defended the cancellation on the basis that, as its trade mark is entitled to protection as a well-known mark, the non-use requirements do not apply to it.

Primark is a clothing retailer that operates 270 stores in Ireland, the UK, Spain, Portugal, Belgium, Netherlands, Germany, Austria and France. Primark submitted evidence to show that people in the South African fashion world know the Primark trade mark, as do South Africans who travel abroad or read magazines like *Marie Claire* and *Elle*.

The critical question is whether Primark is a well-known trade mark in South Africa? The provisions in the Trade Marks Act, 1993 pertaining to well-known trade marks state that it's necessary to consider knowledge of the trade mark in the “relevant sector of the public.” In the famous case of *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another*, the SCA interpreted this to mean that the mark must be well-known to a substantial number of persons “interested in the goods or services to which the mark relates.” The court held that this included both potential customers and potential franchisees. It went on to hold that, as the McDonald's trade mark was known by a substantial number of persons in both groups (especially franchisees, something that was evidenced by a large number of unsolicited enquiries), it was a well-known trade mark in South Africa.

The World Intellectual Property Organisation has said that relevant sectors include actual or potential customers, persons involved in channels of distribution, and business circles dealing with the type of goods or services involved. Further, factors to be considered include the degree of knowledge or recognition in the relevant sector; duration, extent and geographical area of use of the mark; duration, extent and geographical area of promotion; record of successful enforcement of rights; and the value associated with the mark.

In the Primark matter, Judge Wallis made the point that the relevant sector will always be dependent on the nature of the goods or services, and that in some cases there might even be more than one relevant sector. The judge rejected Primark's contention that the relevant sector in South Africa was small, namely people in the South African fashion industry and South African who travel frequently. The relevant sector was, he felt, far larger, namely “residents in urban and peri-urban areas with some disposable income after paying for life's necessities... looking for

inexpensive clothing with some aspiration to be stylish.” Given the breadth of potential customers, it was difficult to assess whether a substantial number of people in the identified sector had knowledge of the trade mark of a retailer aiming at a similar target market, but in another country. The judge went on to say that, “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 social circumstance.”

From the evidence provided, it was held that: “Those identified as having knowledge of Primark were not broadly representative of 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.”

The judge considered Truworths’ motive in seeking to cancel the registration – clearly, Truworths wanted to use Primark as a clothing brand. Primark argued that Truworths recognised the value and attractiveness of the brand in South Africa, as had been the case in the *McDonald’s* matter. The judge, however, rejected the analogy, saying that Primark is as much associated with stores as it is with clothing, and that clothes sold in Primark stores bear many brand names. The judge concluded that people in the retail industry that knew the name were not looking to form relationships with Primark as a franchisee or distributor, they were simply looking to emulate Primark’s success, and prevent Primark from entering the South African market. The judge went on to highlight an essential requirement for an identified sector of the public to be regarded as the relevant sector in an enquiry into whether a mark is well-known, namely “The persons constituting the sector in question must know of or be interested in the mark for the reason that trade marks are given protection, namely their attractive force in the trade in the goods and services as a badge or origin of those goods and services.”

In conclusion, Judge Wallis summed up as follows: “In order for a mark to qualify as a well-known mark... it must be well known amongst a relevant sector of the South African public... Relevant sectors ... 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).”

As the evidence provided did not support the knowledge of the Primark trade mark among the relevant sector as identified by the court, the application for cancellation succeeded. A finding that the judge noted would not preclude Primark from opposing any application filed by Truworths for Primark. The Primark case illustrates the importance, in cases pertaining to well-known trade marks, of identifying the correct relevant sector and then ensuring that the appropriate evidence is furnished to establish knowledge of the well-known trade mark in that sector.

The issue of reaching a finding that might allow a South African company to adopt an international brand seemingly troubled the judges. Judge Willis, in a short concurring judgment, said this: “That a court should sanction this endeavour by Truworths may be disconcerting to the ordinary intelligent reader.” He went on to suggest that the court’s hands were tied because of the principle of territoriality of trade marks, which says that a company can adopt the mark of a foreign company unless there is “something more” involved, which generally means something fraudulent. The judges closing remarks are interesting:

“Territorial isolation is a vanishing phenomenon... 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... 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... if the principle of territoriality in relation to trade marks is to be revisited in the light of the changing social milieu, this will require an internationally concerted political effort and considerable political will... these are matters beyond the province of this court.”

This view causes us to pause and consider that the relatively former ease with which a company could legitimately adopt an international brand is waning as global territorial divides diminish.



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