

**Reportable**  
Case No 118/02

In the matter between:

**FIRST NATIONAL BANK OF SOUTHERN AFRICA LTD** **Appellant**

**and**

**BARCLAYS BANK PLC** **1<sup>st</sup> Respondent**  
**THE REGISTRAR OF TRADE MARKS** **2<sup>nd</sup> Respondent**

Coram: HARMS, ZULMAN, CONRADIE JJA and JONES & SHONGWE AJJA

Heard: 28 FEBRUARY 2003

Delivered: 14 MARCH 2003

Subject: Trade Marks Act 62 of 1963 – application for registration of ‘Premier’ and ‘Premier Package’ – laudatory marks – reasonably required for use in the trade

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**JUDGMENT**

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HARMS JA/

HARMS JA:

[1] This appeal concerns applications by the appellant, First National Bank of Southern Africa Ltd ('FNB'), for the registration of the trade marks 'Premier' and 'Premier Package' in relation to cheques and banking and credit card services. The respondent ('Barclays'), a British bank, opposed the applications. Eloff J, who had been appointed in terms of s 6(3) of the Trade Marks Act 194 of 1993 to perform the function of the Registrar to decide opposition proceedings, refused the applications for registration. An appeal to the Full Court<sup>1</sup> was dismissed and the present appeal is an appeal of right.<sup>2</sup>

[2] The applications for registration predate the commencement of the 1993 Act and have to be disposed of under the provisions of the repealed Trade Marks Act 62 of 1963.<sup>3</sup> All further references in this judgment to 'the Act' will thus be references to the 1963 Act.

[3] We have been informed that, whilst the appeal was pending, FNB applied to and obtained from the Registrar amendments to the scope of the goods and services to its applications. What those amounted to, we were not told. It is difficult to see on what basis the Registrar could have amended the applications whilst they were subject of an appeal. Rights of parties are

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<sup>1</sup> Spoelstra J, Daniels and van der Westhuizen JJ concurring

<sup>2</sup> *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA); [2001] 4 All SA 242 (A) para 5.

<sup>3</sup> Trade Marks Act 194 of 1993 s 3(2) provides that "[a]ll applications and proceedings commenced under the repealed Act shall be dealt with in accordance with the provisions of that Act as if it had not been repealed."

usually frozen upon *litis contestatio*. Since it was not argued it is not necessary to decide whether the procedure was valid; nevertheless, its propriety has to be questioned.

[4] It serves no purpose to give the detail of the applications in their original form because we have been requested to deal with them on a more restricted basis. FNB wishes this Court to uphold the appeal and order the Registrar to register the following trade marks,<sup>4</sup> all applied for on 29 March 1995:

(a) ‘Premier Package’ in part B of the register, in class 36: in relation to banking and credit card services (B95/3928).

(b) ‘Premier’ in part A, in class 16 in relation to cheques (95/3931); in class 36 in relation to banking and credit card services (95/3932); and, in class 42, in relation to marketing and merchandising services in relation to banking and credit cards (95/3933). In the alternative, the submission was that these applications should be allowed in part B.

[5] FNB, originally known as Barclays National Bank, has historically close links with Barclays. These were severed during the period of disinvestment during the 1980’s. Barclays National Bank at the time owned registered trade marks in classes 16 and 36 for ‘Barclays Premier Card’ and, in translation, ‘Barclays Premier Kaart’. These it undertook to assign to Barclays or instead at its own option cancel them. Barclays, in turn, was the

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<sup>4</sup> FNB did not pursue on appeal the refusal of the registration of Premier in class 9 (95/3930).

proprietor of a registered trade mark 'Premier Barclays Cheque' but whether it was a word or a device mark, the papers do not state. In any event, FNB somewhat later sought to register a device mark consisting of the words 'Premier Cheque', which the Registrar thought was too close for comfort to the 'Premier Barclays Cheque' mark. Confronted by the fact that its mark was vulnerable due to non-use, Barclays consented to the cancellation of this registration and FNB exercised its option of cancelling the 'Barclays Premier Card' trade marks.

[6] These otherwise irrelevant facts have been recited in order to dispose summarily of a point first raised on appeal by FNB, namely that Barclays is estopped, in the light of them, to oppose FNB's applications for registration of the marks now under consideration. Apart from the requirement that estoppel must be raised in pleadings or application papers, something FNB did not do, the representation relied upon was at best that Barclays believed that the device mark was a valid trade mark. That representation has nothing to do with the validity of the word mark 'Premier'. Even if Barclays represented to FNB at the time that it thought that the word mark would be registrable, there is no indication that FNB applied for registration because of the representation. In other words, FNB did not act to its detriment in reliance upon the representation. There is another point and that is whether estoppel could at all be invoked where the purity of the register or public

interest is involved, a point to which scant attention was given and which should not be decided in the absence of full argument.<sup>5</sup>

[7] Barclays based its opposition to the registration of the marks in issue on three grounds, namely that the word ‘Premier’ is laudatory and descriptive; that it is not ‘distinctive’ within the meaning of s 10 (1) and 12; and that the mark is reasonably required for use in the trade (s10 (1A)). The mark is said to be laudatory because the word ‘premier’, a corruption of the Latin ‘primarius’ blamed on the French, in its adjectival sense means (if I may be forgiven for stating the obvious) ‘best or most important’, ‘first in importance, size or quality’.<sup>6</sup>

[8] The Act provides for registration of trade marks in either part A (s 10) or part B (s 11) of the register. In order to qualify for registration in part A, the trade mark must contain or consist of a distinctive mark, meaning that it must be distinctive at the date of application. For registration in part B, the requirement is that the mark is capable, *through use*, of becoming registrable in part A, meaning that it must be capable of becoming, through use, distinctive. ‘Distinctive’ is defined to mean –

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<sup>5</sup> Cf *Trust Bank van Afrika Bpk v Eksteen* 1964 (3) SA 402 (A) at 411H–412B; *Provincial Government of the Eastern Cape and others v Contractprops 25 (Pty) Ltd* [2001] 4 All SA 273 (A); 2001 (4) SA 142 (SCA) at para 11.

<sup>6</sup> Encarta World English Dictionary.

‘adapted, in relation to the goods or services . . . to distinguish goods or services with which the proprietor . . . is or may be connected in the course of trade . . . from goods or services in the case of which no such connection subsists . . . .’

(S 12(1)). In determining whether a trade mark is distinctive in this sense, regard may be had to the extent to which it is inherently adapted to distinguish as well as to the extent to which, by reason of use or any other circumstance, it is or has become adapted to distinguish (s 12(2)).

[9] Nothing in the Act prohibits the registration of ‘laudatory epithets’ but since Cozens-Hardy MR (*In the matter of an Application by Joseph Crosfield and Sons Ld*)<sup>7</sup> famously derided –

‘[w]ealthy traders [who] are habitually eager to enclose part of the great common English language and to exclude the general public of the present day and of the future from access to the enclosure’

and held that –

‘an ordinary laudatory epithet ought to be open to the world, and is not, in my opinion, capable of being registered’,

what at best may be a rule of thumb is regarded by some as a rule of law.

One can rightly question whether this is not a –

‘further instance in this context of wrongly elevating into a general proposition of law observations made by judges in their application of the law to the facts of the cases before them.’<sup>8</sup>

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<sup>7</sup> 1909 RPC 837 at 854-856.

<sup>8</sup> *Gerber Foods International Ltd v Gerber Products Co* [2002] EWCA Civ 1888 (CA) para 31 per Auld LJ. To be found at [www.bailii.org/ew/cases/EWCA/Civ](http://www.bailii.org/ew/cases/EWCA/Civ).

The suggestion that the registration of a trade mark excludes the public from using it is in any event hyperbolic.

[10] Intellectual property laws and principles are not locked in a time capsule or a straightjacket and judicial expositions should be read in context.

What was the Master of the Rolls dealing with? It was an application for the registration of the trade mark 'Perfection' for soap. In England<sup>9</sup> at the time a trade mark had to contain or consist of certain essentials, for instance, it had to be an invented word or otherwise a word having no direct reference to the character or quality of the goods and not, according to its ordinary signification, a geographical name or a surname. If it was, for instance, not invented or had a direct reference to the character or quality of the goods, even though it was distinctive, it could not be registered unless the Board of Trade or a court, in the exercise of a discretion, allowed the application to proceed. Counsel in that case conceded that the mark had a direct reference to the quality of the goods. In order to establish that the mark was distinctive, reliance consequently had to be placed on extensive use of the mark. The Court found that the mark had not been used as a trade mark but only as an adjective<sup>10</sup> in either 'Perfection Soap' or 'Crosfield's Perfection Soap'. Against that background and finding that the word had not acquired

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<sup>9</sup> Trade Marks Act 1905 (5 Edw VII c 15) s 9.

<sup>10</sup> At 855 line 40.

distinctiveness through use the Court, in the exercise of its discretion, refused to permit the application for registration to proceed.

[11] The true scope and effect of the judgment was fully perceived by as early as 1927. In *Joshua Gibson Ltd v Bacon*,<sup>11</sup> a case decided under the then existing South African<sup>12</sup> equivalent of the mentioned English provision, the Court found that laudatory and for that matter other descriptive words can, by use, acquire distinctiveness, albeit that it may be difficult to prove.<sup>13</sup> Epithets, laudatory or otherwise, are by definition adjectives because they are descriptive and a trade mark, at least a word mark, is as a general rule not an adjective.<sup>14</sup> It is the name given by a particular concern to its goods or services. That does not mean that it cannot be used adjectivally. The point is rather this. Take the word ‘Perfect’ for soap: how does one distinguish between ‘perfect soap’ and ‘Perfect soap’? But ‘Perfection’ does not cause the same problem: there is no need to distinguish between ‘perfection soap’ and ‘Perfection soap’ and consequently ‘Perfection’ can be a perfectly good trade mark.

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<sup>11</sup> 1927 TPD 207 per Tindall J, Curlewis JP concurring.

<sup>12</sup> Patents, Designs, Trade Marks and Copyright Act 9 of 1916 s 99. The British act was replaced in 1938 by a new Trade Marks Act (1 & 2 Geo VI c 22), which also contained limitations relating to the registration of a word having a direct reference to the character or quality of the goods or being in its ordinary signification a geographical name. Our 1963 Act did not contain these limitations: Webster and Page *South African Law of Trade Marks* para 3.28.

<sup>13</sup> At 216 *in fine*.

<sup>14</sup> This conflicts with something I said previously in *Cadbury (Pty) Ltd v Beacon Sweets and Chocolates (Pty) Ltd and Another* 2000 (2) SA 771 (SCA) at para 8: ‘During argument, counsel were unable to suggest an alternative name for the product. If one considers that a trade mark performs an adjectival function in relation to goods or services, the fact that another noun for the product is not readily apparent is a fair indication that the term does not perform any function.’ The second sentence does not make sense as it stands since it contains a contradiction and should read: ‘If one considers that a trade mark does not perform an adjectival function in relation to goods or services, the fact that another noun for the product is not readily apparent is a fair indication that the term does not perform any function.’



[12] It is probably because of an underlying unease about the ‘doctrine’ of laudatory epithets that most cases that refer to the Cozens-Hardy dictum were eventually decided under s 10(1)(a) or a similar provision, namely that it was a ‘mark which is reasonably required for use in the trade’.<sup>15</sup> There is an absolute prohibition against registering such a mark. The fact that under the 1993 Act use of a mark for certain descriptive purposes<sup>16</sup> may provide a defence against infringement does not affect the prohibition.

[13] After that perambulation I turn to the first stage of the inquiry: Was the mark ‘Premier’ inherently distinctive as at the date of application, entitling it to registration in part A of the register? I think not and I did not understand FNB to argue otherwise. In ‘premier cheque account’, ‘premier credit card service’ or ‘premier banking service’ the intended trade mark performs a purely descriptive or adjectival function. As I understand FNB’s evidence, that is primarily how it used or intends to use it. This appears from the evidence of Mr Unser who stated that:

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<sup>15</sup> E g *ITT Continental Baking Co v Registrar of Trade Marks* 1980 (2) SA 127 (T) at 129H where the ‘rule’ concerning the non-registrability of laudatory epithets was regarded as an example of the prohibition contained in s 10(1A). (Per McEwan J, Nestadt J concurring.) Also *Pleasure Foods (Pty) Ltd v TMI Foods CC t/a Mega Burger* 2000 (4) SA 181 (T) 189I-J.

<sup>16</sup> S 34(2)(a) – (c): ‘A registered trade mark is not infringed by—

(a) any bona fide use by a person of his own name, the name of his place of business, the name of any of his predecessors in business, or the name of any such predecessor’s place of business;

(b) the use by any person of any bona fide description or indication of the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of his goods or services, or the mode or time of production of the goods or the rendering of the services;

(c) the bona fide use of the trade mark in relation to goods or services where it is reasonable to indicate the intended purpose of such goods, including spare parts and accessories, and such services.’

‘By virtue of the definition of PREMIER, particularly in its adjectival form, the abovementioned facts relating to the use and distinctiveness of the Applicant’s FIRST trade mark has relevance.’

Trollip JA, in dealing with the mark Meester in *Distillers Corporation (SA) Ltd v SA Breweries Ltd and Another; Oude Meester Groep Bpk and Another v SA Breweries Ltd*,<sup>17</sup> said this:

‘Now Meester is not a coined or invented word, inherently adapted to distinguish the goods to which it relates. It is, like its English equivalent, Master, an ordinary, well known word to be found in any dictionary. As a noun it ordinarily connotes a superior person of knowledge, experience, competence, skill, or authority; therefore, when used in a trade mark in relation to goods, normally it impliedly lauds the quality of those goods. The same commendation is usually conveyed when it is used adjectivally of a person; and when so used of a thing, that the thing is made by a “master”. It is understandable, therefore, that the word is often used as part of a trade mark. Evidence was adduced for Breweries indicating that some 50 trade marks on the register contain Master or Meester as part of the mark, in many cases the right to the exclusive use of the word being disclaimed. In *International Harvester Company's Application*, (1953) 70 R.P.C. 141, the hearing officer, in giving judgment, mentioned that “in the past few years” the Register in England had received some 300 applications for registering compound words as trade marks which terminated in “master”. All the above information (which is admissible for the present enquiry see *Coca-Cola Co. of Canada Ltd. v Pepsi-Cola Co. of Canada Ltd.*, 59 R.P.C. 127 (P.C.) at p. 1331. 28-51) shows that, not only in popular parlance, but

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<sup>17</sup> 1976 (3) SA 514 (A) at 552H-553C.

in trade parlance too, Meester is an ordinary, well known, laudatory word, not inherently distinctive or characteristic of the goods in respect of which it is used.’

What he said applies to the facts of this case.

[14] The second stage of the inquiry requires a determination of the question whether, at the date of application, the mark had become distinctive because of prior use. If the answer is in the affirmative, FNB is entitled to registration in part A. In this regard FNB principally relied upon two pieces of evidence. (Before us the evidence of Prof Hughes, an expert in semantics was not relied upon.) The first is that of Mr John Bryant, a director of Standard Bank of SA Ltd. The affidavit, sworn some five years after the application date, is of no value to FNB, not only because it does not deal with the situation as at the relevant date – on the contrary, it is couched in the present tense – but also because it says nothing of any moment. He says that he ‘is aware’ of the brand name ‘Premier’; he ‘understands’ that it is used by FNB in respect of credit card and cheque account facilities offered by FNB; he ‘believes’ that the brand name is to the best of his ‘knowledge and belief’ well known in the banking industry; he associates it exclusively with FNB; and to the best of his ‘knowledge and belief’ so does Standard Bank. One has to concur with the Full Court that this hardly qualifies as a statement of fact. In addition, Bryant kept mum about ‘Premier Package’; he says nothing of the goods mark, limiting himself to the service mark; and

he fails to make allowance for the fact that exclusive use by one bank of a mark does not make that mark distinctive in the trade mark sense.

[15] The next bit of evidence gives us the number of Premier cheque account and credit card accounts held by customers and the debit or credit amounts reflected in them and also some advertising material. This evidence appears to deal with the current position and does not purport to deal with the position at the relevant date. The evidence, likewise, is of little moment.<sup>18</sup> The mark, as far as I can see, was used mostly, if not invariably, in connection with FNB's obvious trade marks and as an adjective. It was also used to distinguish FNB's services one from the other: prime clients get the premier product; others do not. It is worth quoting Jacob J in *British Sugar PLC v James Robertson & Sons Ltd*<sup>19</sup> (the Treat case):

'I have already described the evidence used to support the original registration. It was really no more than evidence of use. Now it is all too easy to be beguiled by such evidence. There is an unspoken and illogical assumption that "use equals distinctiveness". The illogicality can be seen from an example: no matter how much use a manufacturer made of the word "Soap" as a purported trade mark for soap the word would not be distinctive of his goods. He could use fancy lettering as much as he liked, whatever he did would not turn the word into a trade mark. Again, a manufacturer may coin a new word for a new product and be able to show massive use by him and him alone of that word for the product. Nonetheless the word is apt to be the name of the

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<sup>18</sup> *Cadbury (Pty) Ltd v Beacon Sweets and Chocolates (Pty) Ltd and Another* 2000 (2) SA 771 (SCA) at para 9.

<sup>19</sup> [1996] RPC 281 (ChD) at 302. A reference to this passage can be found in *Beecham Group PLC and another v Triomed (Pty) Ltd* [2002] 4 All SA 193 (SCA) para 15.

product, not a trade mark. Examples from old well-known cases of this sort of thing abound. The *Shredded Wheat* saga is a good example: the Canadian case is *The Canadian Shredded Wheat Co Ltd v Kellogg Co of Canada Ltd* in the Privy Council and the United Kingdom case *The Shredded Wheat Co Ltd v Kellogg Co of Great Britain Ltd* in the House of Lords. In the former case Lord Russell said.

“A word or words to be really distinctive of a person’s goods must generally speaking be incapable of application to the goods of anyone else.”

It is precisely because a common laudatory word is naturally capable of application to the goods of any trader that one must be careful before concluding that merely its use, however substantial, has displaced its common meaning and has come to denote the mark of a particular trader. This is all the more so when the mark has been used in conjunction with what is obviously taken as a trade mark.’

[16] The conclusion that FNB is not entitled to registration in part A brings one to the next inquiry, namely whether it is entitled to registration in part B, which, as mentioned, requires a value judgment as to whether the word ‘Premier’ in the context of cheques, banking services and the like, can through use become distinctive.<sup>20</sup> The Courts below did not deal with this aspect in so many terms but it appears that they thought not and that they were influenced in their thinking by the following quotation from *The Premier Motor Company (Birmingham) Ltd v Premier Driving School (Birmingham) Ltd*:<sup>21</sup>

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<sup>20</sup> I do not deal separately with ‘Premier Package’ because the package bit adds nothing of consequence.

<sup>21</sup> [1962] RPC 222 at 223.

‘The word “Premier” which each of the companies concerned in this case bears as part of its name is a quite ordinary word in very common use, as is disclosed, if evidence were necessary, by the fact that in a page in the local telephone directory to which I was referred there are something like fifteen to twenty different concerns the first word of whose style is PREMIER. Of course, it is a perfectly ordinary English adjective to apply to any business and it is, I suppose, synonymous with the word “leading”, the leading motor company of Birmingham and the leading driving school of Birmingham that is the connotation of the word “premier”.’

It was a passing-off case and the decision was an interlocutory one. The question was whether the names Premier Motor Company (Birmingham) Ltd and Premier Driving School (Birmingham) Ltd were confusingly similar. This dictum can therefore hardly be dispositive of the issue presently under consideration.

[17] The correct approach is that of the Court of Appeal in *Premier Luggage and Bags Ltd v The Premier Co (UK) Ltd*.<sup>22</sup> It concerned the trade mark ‘Premier’ used in relation to luggage. The mark had been used extensively as a trade mark.

‘I reject the submission, made on behalf of Premier UK in this Court, that the word “Premier” is incapable of being or becoming distinctive of origin. In particular, I do not accept that the word “Premier”, although plainly capable of being used in a descriptive or adjectival sense (denoting primacy or superiority over other members of the class) and so (absent use) devoid of any inherent distinctive character, cannot become

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<sup>22</sup> [2002] EWCA Civ 387. To be found at [www.bailii.org/ew/cases/EWCA/Civ](http://www.bailii.org/ew/cases/EWCA/Civ).

distinctive of origin as a result of use in relation to particular goods or services. “Premier” is not a word like “soap” which can only describe the article to which it is applied – see the observations of Mr Justice Jacob in the *British Sugar* case (*British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281) at pages 302 and 305 to which the judge referred. Nor is it a word which, although once capable of being distinctive, has become solely descriptive through use – see the examples given in the *Bach* case (*Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513) at paragraph 34 (at page 526).’

[18] FNB, consequently, was entitled to a part B registration unless hit by the prohibition contained in s 10(1A), namely that the mark is reasonably required for use in the trade. Counsel submits that without evidence this ground of objection has to fail. That appears to be an overstatement. A court has to make a value judgment and although evidence may in a particular case be useful, it can never be a *sine qua non* or conclusive. In order to answer the question another question can usefully be posed: Would it be reasonable if another bank (say Standard Bank since its name came up in the evidence) should wish to call its premier financial product ‘Standard Bank premier cheque account’ or even its ‘premier financial product’? Confusion with FNB’s premier cheque account does not seem probable but, as counsel accepted, if ‘Premier’ is registered, Standard’s use could be infringing.<sup>23</sup> The fact that no other bank has a present intention of using the

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<sup>23</sup> Cf *Standard Bank of SA Ltd v United Bank Ltd and Another* 1991 (4) SA 780 (T).

word Premier does not seem to be of any real relevance. The question surely must be an objective one with the emphasis on ‘reasonable’.

[19] Webster and Page<sup>24</sup> submit, correctly it seems, that the exclusion of marks reasonably required for use in the trade affords adequate protection without applying the more elaborate tests that bar registration under the 1938 British Trade Marks Act and, by implication, our 1916 Act. Blessed with the advantage of hindsight one may indeed question the correctness of some of the older decisions on this issue. For instance, do manufacturers of polish really require the word Marvel in their trade (as was the judgment in *Joshua Gibson*)? I think not. Having said this and seeking little guidance in cases that appear to have overstepped the mark, I am satisfied that the marks sought to be registered are indeed hit by s 10(1A).

[20] The appeal is dismissed with costs, including those consequent upon the employment of two counsel.

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L T C HARMS  
JUDGE OF APPEAL

Agree:

ZULMAN JA  
CONRADIE JA  
JONES AJA  
SHONGWE AJA

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<sup>24</sup> Para 3.30.