

ADJUDICATOR DECISION

CASE NUMBER:	ZA2017-00285
DECISION DATE:	13 November 2017
DOMAIN NAME	capitech.co.za
THE DOMAIN NAME REGISTRANT:	Capstone Property Holdings (Pty) Ltd
REGISTRANT'S LEGAL COUNSEL:	n/a
THE COMPLAINANT:	Capitec Bank Limited
COMPLAINANT'S LEGAL COUNSEL:	Werksmans Attorneys, Janine Hollesen,
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	ZA Central Registry (CO.ZA Administrators)

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **26 September 2017**. On **28 September 2017** SAIPL transmitted by email to ZA Central Registry (ZACR) a request for the registry to suspend the domain name at issue, and on **28 September 2017** ZACR confirmed that the domain name had indeed been suspended. SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and SAIPL's Supplementary Procedure.
- b. In accordance with the Regulations, SAIPL formally notified the Registrant of the commencement of the Dispute on **29 September 2017**. In accordance with the Regulations the due date for the Registrant's Response was **27 October 2017**. The Registrant did not submit any response, and accordingly, SAIPL notified the Registrant of its default on **1 November 2017**.
- c. The Complainant did not need to submit any Reply.
- d. SAIPL appointed **Christiaan J Steyn** as the Adjudicator in this matter on **6 November 2017**. On **6 November 2017** the Adjudicator submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

2) Factual Background

- a. The Complainant is Capitec Bank Limited, a company duly incorporated according to the laws of the Republic of South Africa, having its principle place of business at 1 Quantum Street, Technopark, Stellenbosch, South Africa, being listed on the banks sector of the Johannesburg Stock Exchange (since 18 February 2002). The Complainant offers retail banking services. The Complainant has provided sufficient proof hereof.
- b. The Complainant commenced business as a bank in 2001, and currently has 13069 employees, 796 branches and 8.6 million clients throughout South Africa. The Complainant boasts several other accolades, which further indicates its reputation in the banking industry. The Complainant has also provided sufficient proof hereof.
- c. The Complainant has registered the name **CAPITEC** as a trade mark in various classes in South Africa, including classes 9, 16, 35, 36, 38, 39 and 42, the dates of these being **11 August 2000**. The Complainant has provided proof of these trade mark registrations.
- d. The Complainant further registered the domain name *capitec.co.za*, which include its **CAPITEC** trade mark, and has hosted its official website on this domain, and made use of its **CAPITEC** trade mark thereon, since 2006. The Complainant has provided proof of this use and domain registration.
- e. In **September 2016**, the Complainant became aware of the disputed domain name registration *capitech.co.za*, owned and registered by the Registrant on **20 February 2008**.
- f. On **13 September 2016**, the Complainant, through its representative, addressed a letter of demand based on the Complainant's rights, to the Registrant, *inter alia* demanding that the disputed domain name be transferred to the Complainant on the basis that the disputed domain name are abusive registrations, and putting them on notice that formal proceedings would be initiated if the demands were not met.

- g. A response to the above letter was received from the Registrant on **21 September 2016**, claiming *inter alia* that the disputed domain was registered in respect of an information technology company division of the Registrant and that the Registrant had no knowledge of the Complainant. No proof hereof was furnished. The Registrant further acknowledged, in its replying letter, that the disputed domain name was similar to the Registrant's registered trade mark. The Registrant further failed to comply with the Complainant's demands.
- h. The Complainant sent a further letter to the Registrant on **21 October 2016**, disputing its claims and again demanding compliance with its demands.
- i. The Registrant responded hereto with a letter on **31 October 2016**, *inter alia* offering the disputed domain for purchase to the Complainant in the amount of R10 000.00.
- j. The Complainant responded to this offer with a counter offer in the amount of R3 000.00 on **22 November 2016**. No record of any further correspondence was received herein, and this Complaint was thereafter filed with the Administrator on **29 September 2017**.

3) Parties' Contentions

a. Complainant

- i. In order to make a finding that the disputed domain name is an abusive registration, the Adjudicator is required to find that the Complainant has proven, on a balance of probabilities, in terms of Regulation 3(2), that the required elements in terms of Regulation 3(1)(a) are present:
1. that the Complainant has rights in respect of a name(s) or mark(s);
 2. that is identical or similar to the disputed domain name;
- and

3. that, in the hands of the Registrant, the disputed domain name is an abusive registration.
- ii. An abusive registration is defined in the definitions of Regulation 1, to mean a domain name(s) which either:
 1. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of, or was unfairly detrimental to, the Complainant's rights; or
 2. has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

b. Substantive Aspects

- i. Turning to the substantive aspects of this Complaint, the Adjudicator has carefully perused the Complaint, and has fully considered the facts and contentions set out therein.

c. Rights in Respect of Name(s) or Mark(s)

- i. In terms of Regulation 1, the term "rights" is widely defined. The Regulation states that "rights" and "registered rights" include intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law, but is not limited thereto.
- ii. As has been decided in the South African appeal decisions of *seido.co.za* (ZA2009-00030) and *xnets.co.za* (ZA2011-00077), the notion of "rights" for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence. The threshold in this regard should be fairly low.
- iii. It is also a matter of *locus standi* in order to make sure that the person who lodges the Complaint is someone with a proper interest in that Complaint. The threshold in this regard should also be fairly low.

d. Does the Complainant have Rights

- i. The first element that the Adjudicator needs to establish is whether, as set out above, and in terms of Regulation 3(1)(a), on a balance of probabilities, the Complainant has rights in respect of the name(s) or trade mark(s) **CAPITEC**. This will also determine whether the Complainant has the necessary *locus standi* to bring this Complaint. The Complainant contends that it has rights in and to the name(s) or trade mark(s) **CAPITEC**, and, as no response was lodged by the Registrant, the Registrant does not contest this.
- ii. The Complainant has shown that it has registered its name or trade mark **CAPITEC** in various classes in South Africa, from as early as 2000. These trade mark registrations are shown to be in force and are considered by the Adjudicator to be *prima facie* valid. For the sake of this dispute, the Adjudicator will focus on the Complainant's **CAPITEC** name and trade mark.
- iii. The South African trade mark registrations and the rights flowing from these registrations could be enforced by the Complainant against an infringer who without authority was to use the name or trade mark **CAPITEC** or a confusingly similar trade mark, in the course of trade.
- iv. In support of the abovementioned, the Adjudicator refers to the South African Law of Trade Marks by Webster and Page, Fourth Edition, paragraph 12.5 *et seq* (hereafter "Webster and Page"), and the foreign and South African decided cases cited therein.
- v. These rights could also be used against a third party who was to attempt to register such a trade mark, in order to oppose such a trade mark application.
- vi. In support of the abovementioned, the Adjudicator refers to Webster and Page, paragraph 8.30 *et seq*, and the decided cases cited therein.

-
- vii. The Complainant has also registered a domain name in South Africa, which include its name or trade mark **CAPITEC**. This provides the Complainant with rights in terms of the Regulations to object to a disputed domain name in the event that their name or trade mark **CAPITEC** is identical or similar to a disputed domain name.
 - viii. The Complainant states that it has spent considerable resources on marketing and promoting its **CAPITEC** name and/or trade mark, which have become known to, and associated by, a substantial number of the public with the Complainant. Accordingly, the Complainant contends that, by virtue of its aforementioned activities, it has developed a substantial repute or reputation in South Africa, and hence goodwill, in terms of the common law.
 - ix. Such reputation, as forming part of the goodwill, stemming from that reputation, in respect of its name or trade mark **CAPITEC**, could be damaged by means of unlawful competition (or more particularly passing-off) under the common law by another party wrongly representing that it is, or is associated with, or part of, the Complainant and its business.
 - x. It was pointed out in the South African domain name decision ZA2007-00003 (*telkommedia.co.za*) that the registration, adoption and use of a domain name being a name or mark that enjoys a reputation, of another person, could readily amount to passing-off under the common law. The Complainant therefore claims to have justifiable and justiciable rights under the common law in respect of its name or trade mark **CAPITEC** rights that can be enforced against others who infringe or would be likely to damage such rights.
 - xi. In support of the above, the Adjudicator refers to the above-mentioned South African domain name decisions ZA2017-00272,

ZA2017-00265, ZA2007-00003; and Webster and Page, at paragraphs 15.5 and 15.7, including the decisions cited therein.

- xii. The Registrant, by virtue of omission, does not dispute that the Complainant has registered trade marks in respect of **CAPITEC**, and furthermore, the Registrant does not dispute or challenge the above-mentioned rights as claimed by the Complainant.
- xiii. Considering the above factors, the Adjudicator finds that the Complainant has proven, on a balance of probabilities, that it has both registered and unregistered (common law) rights in respect of the name and trade mark **CAPITEC**. The Complainant has thereby also established that it has the necessary *locus standi* to bring this Complaint.

e. Name(s) or Mark(s) Identical or Similar to the Disputed Domain name

- i. The second element that the Adjudicator needs to establish is whether, on a balance of probabilities, the Complainant has proven that its name or trade mark **CAPITEC**, in which it has rights, is identical or similar to the disputed domain name. The Complainant contends that its name or trade mark **CAPITEC** is similar to the disputed domain name, which was, by omission, not contested by the Registrant.
- ii. The Complainant's name and trade mark (in which it has rights) is **CAPITEC**, while the disputed domain name is **capitech.co.za**. Ignoring the first and second level suffixes, in terms of Regulation 5(c), the comparison becomes a comparison of **CAPITEC**, against **CAPITECH**.
- iii. Herein, the Registrant has simply added the letter 'H' as a small variation to the Complainant's name and trade mark. Furthermore, this variation has no impact on the pronunciation of "CAPITEC", resulting therein that "CAPITEC" and "CAPITECH" are phonetically identical. It is therefore evident that the disputed domain name is

similar to the Complainant's name and trade mark **CAPITEC**. In support hereof, see WIPO/D2007-0018, wherein the omission of the letter 'S' was found not to be able to distinguish the disputed domain name from the Complainant's registered trade mark.

- iv. Furthermore the disputed domain name contains the Complainant's name and trade mark **CAPITEC** in its entirety. In support hereof, in ZA2016-00248, the domain name *timeslives.co.za* was found to be confusingly similar to TIMES LIVE, and similarly, in ZA2016-00254, the domain name *anglogoldashantiafrica.co.za* was found to be confusingly similar to ANGLOGOLD and ANGLOGOLD ASHANTI. Also see ZA2016-00247, ZA2016-00250 and WIPO/D2002-00367 herein.
- v. Subsequent, the Adjudicator is of the view that a reasonable person will inevitably come to the conclusion that the Complainant's name and trade mark **CAPITEC** is similar to the disputed domain name.
- vi. Furthermore, the Adjudicator takes note that the disputed domain name is also similar to the Complainant's domain name *capitec.co.za*, used by the Complainant for its official website.
- vii. The Adjudicator also wishes to point out that the test herein is not "confusing similarity" but merely "similarity", which involves a lower standard of comparison. In support hereof, see ZA2017-00272 and ZA2017-00265.
- viii. Accordingly, the Adjudicator finds that the Complainant has proven, on a balance of probabilities, that the name and trade mark **CAPITEC** is similar to the disputed domain name.

f. Is the Disputed Domain Name an Abusive Registration

- i. The third element that the Adjudicator needs to establish is whether, on a balance of probabilities, the disputed domain name, in the hands of the Registrant, is an abusive registration.

- ii. The Complainant contends that the disputed domain name is, in the hands of the Registrant, an abusive registration, while the Registrant omitted to respond. The Complainant herein submitted that, in terms of Regulation 4, the Registrant has registered the domain name primarily to:
 1. Intentionally block the registration of the domain name *capitech.co.za* in which the Complainant has rights;
 2. Unfairly disrupt the business of the Complainant;
 3. Prevent the Complainant from exercising its rights in and to the domain name *capitech.co.za*;
 4. Lead people or business to believe that the domain name is registered by, operated or authorised by, or otherwise connected to the Complainant;
 5. Attract internet users to the disputed domain name and does so for commercial gains, as is evident by the fact that the Registrant is willing to sell the domain name; and
 6. Be used in a manner that takes unfair advantage of, or is ungainly detrimental to, the Complainant's rights.
- iii. The Adjudicator is subsequently required to determine whether the disputed domain name is an abusive registration as defined by Regulation 1, and as set out above.
- iv. According to the definition, and to various Nominet decisions, there are two potential abuses (or two types of abuse), being:
 1. Registration with an abusive intent; and/or
 2. Use in an abusive manner.

-
- v. The Adjudicator herein refers to the foreign decisions DRS02464 (Aldershot Car spares v Gordon), DRS00658 (Chivas Brothers Ltd v David William Plenderleith), and the South African decisions ZA2007-00007 (FIFA v X Yin), as referred to in ZA2017-00272 and ZA2017-00265. Against the background of the aforementioned decisions, the Adjudicator agrees with the view that the nature of “abusive” in the Regulations does not necessarily require a positive intention to abuse the Complainant’s rights, but that such abuse can be the result, effect or consequence of the registration and/or use of the disputed domain name.
- vi. As contended above by the Complainant, Regulation 4 lists factors or circumstances which indicate that the Registrant has registered the disputed domain name for various stated reasons. The Adjudicator will now focus on the most pertinent aspects, in its view, which *inter alia* include:
1. **Regulation 4(1)(a)(i):**
 - a. It is clear from the provided evidence that the Registrant offers the disputed domain name *capitech.co.za* for sale, formally offering the sale of the disputed domain name to the Complainant in a letter dated 31 October 2016.
 - b. It is therefore reasonable to assume that the Registrant registered the disputed domain name to sell such domain name, which would lead to out-of-pocket expenses on the side of the Complainant to obtain such. This public offer for sale of the disputed domain name may further be regarded as a factor for abusiveness. See ZA2015-00208 herein.
 - c. The Registrant, by omission to lodge a Response, has offered no alternative reason for this conduct.
 - d. Accordingly, the Adjudicator concludes that this circumstance applies in the present dispute, and

that this factor indicates that the disputed domain name may be an abusive registration. See ZA2017-00272, ZA2017-00256 and ZA2015-00208 herein.

2. Regulation 4(1)(b):

- a. The Complainant has clearly established that it has rights in the name and trade mark **CAPITEC**, and that the Complainant's name and trade mark **CAPITEC** is similar to the disputed domain name.
 - b. Therefore, based on above, there exists a likelihood that the public will be confused or deceived into thinking that the Registrant is related to, or associated with, the Complainant.
 - c. Although the Registrant did not make actual use of the disputed domain name, the above Regulation requires either registration OR use. Various foreign decisions have found that actual use is not a hard and fast requirement. Therefore, the mere registration of the disputed domain name by the Registrant is sufficient herein. See WIPO/D2016-2310, WIPO/D2000-0545, NAF/FA91359, NAF/FA95464 and NAF/FA95498, as well as ZA2017-00265 herein.
 - d. Actual confusion is furthermore not necessary, and the potential or (reasonable) likelihood for confusion is sufficient. See WIPO/D2000-0777, WIPO/D2000-0878, NAF/FA95033 and NAF/FA95402, as well as ZA2007-0003, ZA2016-00254, ZA2017-00265 and ZA2017-00272 herein.
- vii. Accordingly, the Adjudicator concludes that *inter alia* the above circumstances apply in the present dispute, and that these factors indicate that the disputed domain name is an abusive registration.

g. Registrant

- i. The Respondent did not reply to the Complainant's contentions.

4) Discussion and Findings

a. Abusive Registration

- i. The Adjudicator concludes that the disputed domain name was registered in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's rights. Therefore, the Adjudicator finds that the disputed domain name, in the hands of the Registrant, is an abusive registration.

5) Decision

- a. For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, *capitech.co.za*, be transferred to the Complainant.

.....
CHRISTIAAN J STEYN
SAIIPL ADJUDICATOR
www.DomainDisputes.co.za