

ADJUDICATOR DECISION

CASE NUMBER:	ZA2007-0011
DECISION DATE:	15 February 2008
DOMAIN NAME	vcbet.co.za
THE DOMAIN NAME REGISTRANT:	iLogic (Pty) Ltd
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANTS:	Newcote International Limited & Victor Chandler (International) Limited
COMPLAINANTS' LEGAL COUNSEL:	Richard Singleton of Blake Laphorn Tarlo Lyons
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1. Procedural History

The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **13 December 2007**. On **13 December 2007** the SAIPL transmitted by e-mail to UniForum SA a request for the registry to suspend the domain name(s) at issue, and on **13 December 2007** UniForum SA confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIPL's Supplementary Procedure.

In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **13 December 2007**. In accordance with the Regulations the due date for the Registrant's Response was **16 January 2008**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **18 January 2008**.

The SAIPL appointed **Charles Webster** as the Adjudicator in this matter on **22 January 2008**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

The Registrant indicated in an e-mail dated **15 December 2007**, that they were prepared to transfer the domain name to the Complainants. In anticipation of withdrawing the dispute, SAIPL informed the Complainants of the possible settlement and requested a settlement agreement. The Complainants notified SAIPL on **16 January 2008** that the parties were not able to reach settlement and that an Adjudicator had to be appointed.

2. Factual Background

2.1. The domain name was registered on 4 November 2005.

- 2.2.** The factual background appears from the complaint lodged by Newcote International Limited & Victor Chandler (International) Limited. As no response to the complaint was filed, there is no dispute on factual issues, and the Adjudicator may accept, for present purposes, the allegations of fact by the Complainants as generally correct.
- 2.3.** Newcote International Limited is situated in Nassau, Bahamas. Victor Chandler International Limited is situated in Gibraltar. The Complainants have specified Lurie Attorneys Inc as the *domicilium citandi et executandi* of their authorised representative in terms of Regulation 16(2)b.
- 2.4.** The relationship between the Complainants is that the first Complainant is the parent company of a group of companies (including the second Complainant and Victor Chandler UK Limited) all of which are companies which form part of the Victor Chandler group of companies ('the Group'). The first and second Complainant have *locus standi* to bring the complaint as the first Complainant's trade mark rights are concerned, and the first and second Complainant share in the goodwill associated with the "VC" brand as detailed in the complaint.
- 2.5.** According to the Whois facility, the Registrant in these proceedings is the listed Registrant of the domain name in dispute, namely iLogic (Pty) Ltd. According to a copy of the printout of the Whois search conducted on 13 November 2007 comprising Annex 1 to the complaint, the details of the Registrant are as follows:

Physical: iLogic (Pty) Ltd
148 Bree Street, Newtown Precinct,
Johannesburg, South Africa

Postal: As above

Telephone: +27 11 832 2800

Fax: 086 512 8875

E-mail: roger@ilogic.co.za

2.6. The rights on which the Complainants rely can briefly be summarised as follows:

2.6.1. The Victor Chandler Group (incorporating the first and second Complainants) offers international on-line and telephone sports betting opportunities and on-line gaming in many languages.

2.6.2. The Group has been trading as "Victor Chandler" for many years with its origins in 1946.

2.6.3. The Chairman of the Group is Victor Chandler himself.

2.6.4. The Group has customers in over 70 countries across the world and is widely regarded as one of the world's leading independent bookmaking and gaming groups of companies.

2.6.5. The annual turnover of the group is in excess of £1 000 million.

2.6.6. The Complainants (and the Group generally) have invested considerable sums in developing the awareness of their business, goodwill and registered trade marks within the on-line gaming and betting industry.

2.6.7. The first Complainant is the proprietor of numerous trade marks in China, the European Union, Israel, Thailand and Hong Kong for the marks VICTOR CHANDLER and VICTOR CHANDLER INTERNATIONAL (with and without logo) in relation to the following services – "gambling services; gaming services; betting services; football pools; services; organisation and operation lotteries".

2.6.8. The Complainants have sought to protect the word and/or logo "VC" (being the initials of the Complainants' trading name) and "VICTOR CHANDLER VC" by way of Community trade marks.

2.6.9. The VC LOGO trade mark has been applied for in numerous territories, *inter alia*, Argentina, Peoples Republic of China, Hong Kong, Israel, Malaysia, Mexico, Singapore, Taiwan and Thailand.

2.6.10. The Complainants and the Victor Chandler Group operate their on-line business via a number of worldwide domain names including:

www.vcbet.co.uk
www.victorchandler.co.uk
www.victorchandler.com
www.vccasino.com
www.vcpoker.com
www.vcgames.com
www.vccasino.co.za
www.vcpoker.co.za
www.vcbet.com

2.6.11. The domain name vcbet.co.za incorporates the initials of the Complainants' trading name (vc) and a reference to the activity provided by the Complainants (bet).

2.6.12. The Whois record of www.vcbet.com is attached to the complaint as Annex 4. The website was registered on 23 June 2004.

2.6.13. A printout of the home page of the website vcbet.com is attached to the complaint as Annex 5.

- 2.7.** As a result, it is alleged that the Complainants' have established rights in respect of a name or mark which is identical or similar to the domain name www.vcbet.co.za.
- 2.8.** While, as indicated in paragraph 2.2 above, the allegations of fact by the Complainants must be accepted as generally correct, they must nevertheless be analysed to ascertain that they do establish the requisite rights which the Complainants seek to enforce.
- 2.9.** The only .co.za domains are www.vccasino.co.za and www.vcpoker.co.za. A Whois search under these names confirms that they were registered on 14 May 2007, some 18 months after www.vcbet.co.za was registered. In the circumstances, the Complainants cannot rely on these later .co.za domains.
- 2.10.** It should also be noted that the Complainants do not have any South African trade mark applications or registrations. With regard to the VC trade marks to which the Complainants refer, it must be noted that the mark is used in a special logo form as represented below.



This logo also appears prominently on the www.vcbet.com homepage as illustrated in Annex 5 to the complaint.

- 2.11.** In summary, the Complainants' rights are based largely on the existence and use of its domain name www.vcbet.com registered on 23 June 2004 and its online gaming activities in over 70 countries with an annual turnover in excess of GBP 1 000 million.
- 2.12.** The Registrant's domain name vcbet.co.za was registered on 4 November 2005.

- 2.13.** The website which appears at the domain name resolves to a webpage at www.play89.co.za. This site invites users to register and play pool against other users for real money ("play 89" is a reference to either 8-ball or 9-ball pool).
- 2.14.** The Complainants make the following allegations with regard to the Registrant's registration and use of the domain name www.vcbet.co.za:
- 2.14.1.** The domain name comprises precisely the same two elements which together form the Complainants' unique mark, the first part being the first Complainant's registered trade mark (VC), the second being a reference to the activity offered by the Complainants (BET).
- 2.14.2.** Notwithstanding the Complainants' established rights and reputation, the Registrant intentionally chose to register the domain name.
- 2.14.3.** Given the unusual and distinctive composition of the domain name, and the fact that the Complainants have been operating their on-line gaming activities via the domain name www.vcbet.com since June 2004, it is inconceivable that the Registrant was not aware at the time it registered the domain name of the Complainants' established rights in the trade marks VC and/or VC BET or their international reputation and internet presence in the sports betting and on-line gaming market.
- 2.14.4.** The domain name has no immediate generic connotation in respect of the on-line pool website www.play89.co.za to which the domain name www.vcbet.com resolves.

2.14.5. It is difficult to conceive that there are any circumstances where the Registrant has any legitimate interest in their domain name given that it bears absolutely no relation to the products and/or services it provides.

2.14.6. The Registrant simply uses the domain name to resolve to an entirely different domain www.play89.co.za which begs the question "why register the domain name in the first place?"

2.15. The Registrant has not answered any of these allegations.

2.16. Certain correspondence took place between the Complainants and the Registrant prior to the institution of the complaint. This correspondence is attached as Annex 6 to the complaint and is summarised within the complaint. The Registrant made certain denials and assertions in the correspondence. The Complainants deal with the assertions in their complaint. As indicated above, the Registrant chose not to exercise its right to respond to the complaint. A relevant issue which is not in dispute arising out of the earlier correspondence is the fact that the Registrant offered, on more than one occasion, to sell the domain name to the Complainants.

3. Parties' Contentions

3.1. Complainants

3.1.1. The Complainants contend that it is not possible to conceive of any legitimate, lawful use of the domain name by the Registrant without passing-off or infringing the Complainants' registered and unregistered trade marks and/or other common law rights in the name VC BET. The Complainants contend that the Registrant has registered and used the domain name in bad faith

and that the registration is abusive. In support of the aforementioned contentions the Complainants state:

- 3.1.2.** The Complainants have an established and international reputation in the registered trade mark VC and the unregistered trade mark VC BET and an established internet presence for its sports betting and on-line gaming services.
- 3.1.3.** The Registrant intentionally chose to register the domain name which comprises of a distinctive combination of the first Complainant's trade mark and a reference to the activity offered by the Complainants and which is also identical to the first Complainant's registered domain name www.vcbet.com and the Complainants' shared rights in the unregistered trade mark VC BET. As such, the Registrant must have been aware of the Complainants' rights and reputation at the time it registered the domain name.
- 3.1.4.** The Registrant is not commonly known by the name or legitimately connected with the mark which is identical or similar to the domain name, nor is there any evidence to show that the Registrant has rights in the name VC BET.
- 3.1.5.** The Registrant cannot make any commercial use of the domain name without infringing the Complainants' registered and unregistered trade marks.

3.2. Registrant

- 3.2.1.** The Registrant did not reply to the Complainants' contentions.

4. Discussion and Findings

In terms of the Regulations, in order to succeed in an application on the basis of an abusive registration, the following three elements must be proved on a balance of probabilities:

- i) The Complainant has rights in respect of a name or mark; and
- ii) the name or mark is identical or similar to the domain name; and
- iii) the domain name, in the hands of the Registrant, is an abusive registration.

4.1. Complainants' Rights

4.1.1. *Prima facie*, the Complainants have established the requisite reputation and goodwill that would be required for the purposes of passing-off proceedings in the trade marks VC and VC BET based on evidence referred to in paragraph 2 above. No evidence has been tendered by the Registrant to refute this. It is accordingly the view of the Adjudicator that the Complainants have established their intellectual property rights in the marks VC BET and VC, being marks which are identical or similar to the domain name.

4.1.2. Insofar as the Complainants have established rights in the mark VC BET, the proviso to Section 5 provides that:

"The burden of proof shifts to the Registrant to show that the domain name is not an abusive registration if the domain name (not including the first and second level suffixes) is identical to the mark in which the Complainant asserts its rights, without any addition."

4.1.3. Insofar as the Complainants have established rights in the mark VC, it is a well established legal principle that where a domain name comprises a trade mark coupled with a generic term, that domain name is still confusingly similar to the trade mark. In

this regard, the Adjudicator agrees with the findings in SAIPL decisions ZA2007-0010 Multichoice Subscriber Management v J. P. Botha, ZA2007-0003 Telkom S. A. Limited v Cool Ideas 1290 CC and ZA2007-0004 Telkom S. A. Limited and T. D. S. Directory Operations (Pty) Ltd v The Internet Corporation. The finding of the Adjudicator is that the domain name www.vcbet.co.za is indeed confusingly similar to the trade mark VC, incorporating as it does the whole of the distinctive mark VC in conjunction with the generic and non-distinctive term "BET".

4.2. Abusive Registration

4.2.1. The Complainants main arguments in favour of their allegation that the domain name www.vcbet.co.za is an abusive registration are set out in paragraph 3.1 above.

4.2.2. The Adjudicator accepts the submission that the registration and use of the domain name www.vcbet.co.za in respect of what can loosely be described as betting services amounts to passing-off. There is no explanation from the Registrant as to why the domain name was chosen or why the domain is linked to the www.play89.com website. In the view of the Adjudicator, the case made by the Complainants was sufficiently compelling to call for an adequate response from the Registrant, which was not forthcoming.

4.2.3. Accordingly, the Adjudicator finds the registration to be abusive.

5. Decision

5.1. For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, www.vcbet.com be transferred to the Complainants.

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CHARLES WEBSTER
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Assisted by TSHEPO SHABANGU
SAIPL JUNIOR ADJUDICATOR