

ADJUDICATOR DECISION

CASE NUMBER:	ZA2008-0018
DECISION DATE:	8 August 2008
DOMAIN NAME	bikeandleisuretrader.co.za
THE DOMAIN NAME REGISTRANT:	Junk Mail Publishing (Pty) Ltd
REGISTRANT'S LEGAL COUNSEL:	Not applicable
THE COMPLAINANT:	The Car Trader (Pty) Ltd
COMPLAINANT'S LEGAL COUNSEL:	Mr D Boucher (Bouchers Inc)
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1. Procedural History

- 1.1** The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on 5 June 2008. On 6 June 2008 the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on 6 June 2008 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.
- 1.2** In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 6 June 2008. In terms of the Regulations the due date for the Registrant's Response was 4 July 2008. The Registrant did not submit any Response, and, accordingly, the SAIPL notified the Registrant of its default on 7 July 2008.
- 1.3** The SAIPL appointed Dr Wim Alberts as the Adjudicator in this matter on 18 July 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.
- 1.4** The Regulations¹ prescribe that when no Response is received, an Adjudicator must consider the matter on the basis of the documentation submitted. As mentioned, none was received. However, on 29 July 2008 attorneys acting on behalf of the Registrant approached the SAIPL with a request to allow the Registrant to file a Response. This request was denied on the grounds that no good reasons for the request were submitted, and/or that consent for the filing of such a Response would amount to an abuse of the system.

¹ Regulation 18(3).

1.5 It may be that such a decision is more properly taken by the Adjudicator. Be that as it may, as will appear from the discussion below, the Registrant was advised of the gravamen of the Complainant's case in a letter of demand dated 5 September 2007. The Registrant thus had more than ten months within which to advance a defence on the merits, yet did not do so. The request for an extension of time within which to file a Response was made by the same firm of attorneys that dealt with the letter of demand. The Registrant was thus represented during the process. In the circumstances I have decided not to exercise any relevant powers I might have in terms of the Regulations.²

2. Factual Background

2.1 In its complaint the Complainant states that it is a publisher of automotive and automotive related magazines in South Africa, more in particular, magazines relating to the sale of various vehicles and vehicle accessories. The Complainant publishes the well-known AUTO TRADER magazine, which was first published on 16 April 1992. The Complainant also conducts business from a web site (www.autotrader.co.za), which was launched in April 1999. The Complainant indicates that it has made extensive use of the AUTO TRADER trade mark in its business activities and has invested substantial time, money and effort in advertising and promoting its business throughout South Africa. As a result of the aforesaid use and promotion, the Complainant claims that it has built up a significant reputation and goodwill in its AUTO TRADER trade marks.

2.2 The Complainant also says that it is continually expanding its business to provide new publications to the public. In this process, the Complainant has expanded its business to include the following publications:

² See, for instance, Regulation 24(1) which states that:

"An Adjudicator must ensure that the parties are treated with equality and that each party is given a fair opportunity to present its case."

- March 2000 - Auto Freeway Cape Town - (Weekly)
- August 2000 - Top Marques - (Weekly)
- October 2000 - Auto Freeway Kwa-Zulu Natal - (Weekly)
- September 2002 - Truck Trader - (Weekly)
- October 2002 - Auto Freeway Johannesburg - (Weekly)
- December 2003 - Auto Freeway Pretoria - (Fortnightly)
- August 2004 - Commercial Trader - (Fortnightly)
- July 2007 - Bike & Leisure Trader (Weekly)

2.3 The Complainant has sought to obtain statutory protection for its AUTO TRADER trade mark, and is the owner of a number of registrations for this mark, as well as the applicant for registration of a number of applications for the AUTO TRADER and device mark.

2.4 The Complainant indicates that it is part of its business strategy to register domain names relating to the titles of its magazines, and it has for instance registered the following domain names:

- autotrader.co.za;
- autofreeway.co.za;
- topmarques.co.za;
- trucktrader.co.za; and
- commercialtrader.co.za.

2.5 The Complainant says that in early 2006, it realised that there was a need within the leisure vehicle market to assist sellers of leisure vehicles, including motorcycles, quad-bikes, boats, jet-skis, yachts and caravans to realise the best possible value for their leisure vehicles and to assist buyers to gain access to as large a range as possible of leisure vehicles for sale. The Complainant accordingly decided to introduce two new publications, namely BIKE TRADER and LEISURE TRADER. In March 2006, the Complainant, as part of its standard protection and expansion procedure, attempted to register the publication titles contemplated as

domain names but only succeeded in registering the domain name leisuretrader.co.za.

- 2.6** In 2007, the Complainant decided not to publish two separate publications but rather to combine the titles into one publication which led to the launch of a new "single" publication under the title BIKE & LEISURE TRADER. The BIKE & LEISURE TRADER publication was first published (as a fully bound supplement of the AUTO TRADER magazine) on **5 July 2007**. The Complainant indicated that it invested substantial time, effort and money in the planning, printing and publishing of its BIKE & LEISURE TRADER publication.
- 2.7** The Disputed Domain Name was registered on **12 July 2007**, in other words, 5 days subsequent to the first date of publication of the Complainant's BIKE & LEISURE TRADER publication.
- 2.8** The Disputed Domain Name was registered in the name of the Registrant, which is the owner of the JUNK MAIL publication and a major competitor of the Complainant.
- 2.9** It was ascertained by the Complainant that the domain name in dispute was redirected to a competing website, being www.bikeandquadmart.co.za, a website which, according to the information contained on the site, is under the control of Alli-Cat Publishing, an entity that is affiliated to the Registrant. Alli-Cat Publishing currently publishes and/or owns a number of magazines which operate in competition with the magazines of the Complainant.
- 2.10** On 5 September 2007 the attorney then acting on behalf of the Complainant sent a letter of demand to the Registrant, setting out its rights, and demanding, inter alia, the transfer of the domain name in dispute. No substantive Response was received.

2.11 In an attempt to mitigate its exposure as far as possible, and to enable it to advertise its BIKE & LEISURE TRADER publication making use of a name at least similar to the publication title, the Complainant, on 23 July 2007, made application and obtained registration of the following domain names:

- bikeandleisure.co.za; and
- bikeandleisure-trader.co.za

2.12 The Complainant also applied for registration of the following trade marks on 26 July 2007:

- Trade Mark Application No. 2007/16546 BIKE & LEISURE TRADER in class 09;
- Trade Mark Application No. 2007/16547 BIKE & LEISURE TRADER in class 16;
- Trade Mark Application No. 2007/16548 BIKE & LEISURE TRADER in class 42.

3. Complainant's Contentions

3.1 The Complainant submitted that, in view of the factual position set out above, it has rights to the Domain Name, and that the Domain Name and its trade mark are virtually identical. It is also stated that the Domain Name is, in the hands of the Registrant, an Abusive Registration, on the following grounds.

The First Ground

3.2 The Complainant refers to Regulation 4(1)(a)(ii) which is to the effect that the intentional blocking of a domain name registration is indicative of the presence of an abusive registration. Complainant states that its use of the BIKE & LEISURE TRADER name predates the registration of the Disputed

Domain Name. Secondly, it emphasized that the Registrant is a direct competitor that offers goods/services to the public that are identical to that of the Complainant, and that it has no explanation for registering the Disputed Domain Name. Mention was also made of various earlier Disputes before the Advertising Standards Authority (involving Complainant and Alli-Cat Publishing).

3.3 The Complainant also pointed out that the Registrant has not linked the Disputed Domain Name to its "general" website, that is, www.junkmail.co.za, but instead to the *Bike and Quad Mart* website, www.bikeandquadmart.co.za, a website which the Registrant uses to promote and supplement its BIKE AND QUAD MART publication. This publication is in direct competition with the Complainant's BIKE & LEISURE TRADER publication. The Complainant submits, therefore, that the Registrant acted in bad faith in registering the Disputed Domain Name and, in so doing, intentionally attempts to confuse the public into erroneously believing that the Disputed Domain Name is owned by, controlled or associated with the Complainant. In the process the Complainant is blocked from registering the title of its publication as a domain name.

The Second Ground

3.4 The Complainant states that the registration of the Disputed Domain Name unfairly disrupts its business, a factor also indicative of the existence of an abusive registration as envisaged in Regulation 4(1)(a)(iii). It submits that in view of the fact that the Registrant and the Complainant are direct competitors; that the Registrant must clearly have been aware of the Complainant and its use of the BIKE & LEISURE TRADER name, when applying to register the Disputed Domain Name; and that the Registrant uses the Disputed Domain Name not to attract custom but simply to re-direct internet traffic to its own competing website, www.bikeandmart.co.za; that the Registrant's registration of the Disputed

Domain Name, subsequent to the Complainant's first use of its BIKE & LEISURE TRADER name, was and remains a clear and ill-disguised attempt to disrupt unfairly the business of the Complainant.

The Third Ground

3.5 The Disputed Domain Name is said to prevent the Complainant from exercising its rights, a factor indicative of the existence of an abusive registration as contemplated in Regulation 4(1)(a)(iv). Through its registration of the Disputed Domain Name, the Registrant is preventing the Complainant from registering the Disputed Domain Name in its own name and thereby using the Disputed Domain Name to attract custom and promote its business.

3.6 It is further submitted that the Registrant was fully aware that its use or registration of the Disputed Domain Name will interfere with, or infringe the right of the Complainant in the name BIKE & LEISURE TRADER. As a result of the above, the Complainant submits that the Disputed Domain Registration in the hands of the Registrant prevents the Complainant from exercising its rights.

The Fourth Ground

3.7 The Complainant also submitted that the Disputed Domain Name is abusive, having regard to Regulation 4(1)(b), in that the Registrant has registered the Disputed Domain Name in a way that may lead people or businesses to believe that the Disputed Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant, which is not the case. The Complainant re-iterated that the Disputed Domain Name is not a link to the Registrant's website, www.junkmail.co.za, but is rather a link to the *Bike and Quad Mart* website, a website which advertises for sale various vehicles, in competition with the Complainant. There is also no indication that the site

does not belong to the Complainant although the domain name is virtually identical to the name of the publication of Complainant.

4. Discussion and Findings

Regulation 3 provides that a Complainant is required to prove, on a balance of probabilities, that the following three elements are present in order to succeed in a Domain Name Dispute based on an alleged abusive registration:

- (a) that the Complainant has rights in respect of a name or mark;
- (b) that the name or mark is identical or similar to the domain name;
and
- (c) that the domain name, in the hands of the Registrant, is an abusive registration.

4.1 Complainant's Rights

4.1.1 It is pertinent, for current purposes, that the Complainant has used the name BIKE & LEISURE TRADER from a date prior to the registration of the Disputed Domain Name. Although publication took place merely five days before the registration of the Domain Name in Dispute, the mark was used in relation to a supplement to the Complainant's well-known magazine, published under the AUTO TRADER mark. This magazine is part of everyday life in South Africa, and is sold in countless shops throughout the country. I am thus satisfied that the name BIKE & LEISURE TRADER would have come to the attention of a not insignificant number of members of the public interested in the relevant goods.

4.1.2 Although no direct evidence of a reputation in existence on the date of the registration of the Disputed Domain Name has been submitted, it must be borne in mind that the issue of reputation, as such, actually falls within the province of the law of passing

off,³ or the Trade Marks Act 194 of 1993.⁴ Also, it appears that it is not the objective of the Regulations only to protect distinctive marks, otherwise no remedy would be forthcoming in the event of the registration of a so-called “descriptive” domain name. All that the Complainant has to establish is that he has rights to a name, and *in casu* the evidence that Complainant was the party which originated the name and first used it, is unchallenged. I thus hold that Complainant had rights to the name BIKE & LEISURE TRADER on the date of the registration of the Disputed Domain Name.

4.2 An identical or similar name or mark

4.2.1 In assessing whether or not a name or mark is identical or similar to a domain name, it is appropriate to discount the domain suffix, which is of no relevant significance and wholly generic (see the Nominet decision of The Met Office v Mr Christopher Fell of BUYdomain.co.uk (DRS 00297)). Furthermore, in a number of UDRP decisions panellists have held that the test of confusing similarity under the UDRP is whether the domain name incorporates a Complainant’s trade mark in its entirety, which, if so, is sufficient to establish identity or confusing similarity (see the WIPO UDRP decisions of Experian Information Solutions, Inc. v Credit Research, Inc. (Case No. D2002-0095); and Oki Data Americas, Inc. v ASD, Inc. (Case No. D2001-0903)).

4.2.2 With regard to the Registrant’s incorporation of the word “and” rather than the ampersand, UDRP Panellists have consistently found that a mark and a domain name are confusingly similar when there is just “a small variation which is not sufficient to distinguish the Disputed domain name from the Complainant’s trade mark” (see FIT Bearings v. Zhangtuo, WIPO Case No. 2007-

³ Premier Trading Company (Pty) Ltd v Sporttopia (Pty) Ltd 2000 (3) SA 259 (SCA).

⁴ See section 10(12), as discussed in Webster and Page South African Law of Trade Marks (1997) 6-13.

1488). Since the ampersand symbol cannot be used in domain name registrations, the Adjudicator finds that the incorporation of the word "and" rather than the symbol "&" is such a small variation.

4.2.3 The Adjudicator therefore finds that the Disputed domain name is similar to the Complainant's trade mark.

4.3 Abusive Registration

4.3.1 The provisions of Regulation 4(1) are relevant here, and the pertinent parts are quoted below.

"Factors, which may indicate that the domain name is an abusive registration include-

...(a) Circumstances indicating that the Registrant has registered or otherwise acquired the domain name primarily to –

(i) ...

(ii) block intentionally the registration of a name or mark in which the Complainant has rights;

(iii) disrupt unfairly the business of the Complainant; or

(iv) prevent the Complainant from exercising his, her or its rights;

(b) circumstances indicating that the Registrant is using, or has registered, the domain name in a way that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant;"

4.3.2 The Complainant relies on all the above enactments, as mentioned before. I now discuss the applicability of these provisions to the facts at hand.

Regulation 4(1)(a)(ii)

4.3.3

The Regulations do not define what a "Blocking Registration" is. A useful discussion of what constitutes a "blocking registration" is however found in the Nominet case of EmbroidMe.com Inc. v Martyn Young (DRS03813). In this decision the Adjudicator found:

"These are the cases of Thomas Cook (UK) Ltd v Whitley Bay Uncovered (DRS00583) and the earlier case of Peoplesoft UK Ltd v K L Kane (DRS00120). In the earlier of these decisions, the Peoplesoft decision, the Expert said the following:

"A Blocking Registration is a registration that is unwarranted at the time of registration. It is a domain registration that is:

- a. Designed to prevent a legitimate owner of rights in a name from registering and using the associated domain name; and*
- b. Carried out in circumstances [where the] Respondent is unable to demonstrate a prima facie right in the name or valid reason to make the registration."*

In the subsequent Thomas Cook case the Expert disagreed with this definition on the basis that it could be [taken] to be implying that the second limb of it was shifting the burden of proof away from the Complainant and onto the Respondent. Instead, the Expert in Thomas Cook replaced this definition with his own and said the following:

"It seems to be that there are two critical features of a "Blocking Registration". The first is that it must be against the name or mark in which the Complainant has rights. The second one is one of motivation. Where a registration is alleged to be a "Blocking Registration", a Complainant, if it is to succeed, must prove on the balance of probabilities that a Respondent's principal objective in registering or retaining of the Disputed domain name was to prevent the Complainant from doing so. The absence of any use of the site by the Respondent for a legitimate business or other purpose of its own may assist in establishing the motivation, but the absence of any such use does not necessarily rule out a legitimate interest."

If I adopt the narrower definition in Thomas Cook it is clear that the Domain Name is a name in which the Complainant has Rights and the first limb of the test is satisfied. But what of the Respondent's motivation? There is no direct evidence of this...

I am however persuaded that, on the facts of this case and on the balance of probabilities, the Domain Name has been registered as a blocking registration within the meaning of Paragraph 3a1B of the Policy. I say this because of the uniqueness of the mark "EMBROIDME" and the fact that the Complainant is a worldwide franchise operation with plans to expand in the UK. On these facts I find it difficult to conceive of any legitimate reason why the Respondent would have wanted to register the Domain Name except to prevent the Complainant from having it.

It would have course have been open to the Respondent to rebut this finding that the Domain Name was registered as

a blocking registration by, for example, showing that he had put the Domain Name to legitimate use. The Respondent has not of course done this and has offered nothing by way of Response. He has therefore not rebutted my finding that the Domain Name is a blocking registration and therefore an Abusive Registration."

4.3.4 Applying this decision to the facts at hand, the Adjudicator finds that the first requirement mentioned in this decision has been met in that the Disputed domain name relates to a name or mark in which the Complainant has rights. In so far as the second requirement enumerated in the case is concerned, given the fact that the Complainant and the Registrant are competitors, it is difficult to conceive of any legitimate reason why the Registrant registered the domain name. This presumption is compounded by the fact that the Registrant registered the Disputed Domain Name merely five days after the first publication of the Complainant's BIKE & LEISURE TRADER magazine.

4.3.5 As with the EmbroidMe.com Inc. v Martyn Young case, the Registrant could have chosen to rebut these findings by, for example, showing that he had put the Domain Name to legitimate use. The Respondent has not done so and has offered nothing by way of a Response. I thus find that the Domain Name in Dispute constitutes an abusive registration as envisaged in Regulation 4(1)(a)(ii).

Regulation 4(1)(a)(iii)

4.4 It is eminently reasonable for a trader to wish to register as a domain name the trade mark which he uses in commerce, for numerous practical and logistical reasons. In this instance it is clear that the existence of the Disputed Domain Name is preventing the Complainant from doing so. I

thus find in favour of the Complainant on this point.

Regulation 4(1)(a)(iv)

4.5 In the intellectual property community the question as to the nature of an intellectual property right is often debated.⁵ The decision in Video Parktown North (Pty) Ltd v Paramount Pictures Corporation⁶ contains a balanced perspective on the matter, drawing on the analogy with real property. The court stated the following:⁷

“In his commentary on the present legislation...*Copeling* again essays the same definition of copyright as being a “negative right”...It seems to me that when he who harbours an idea...brings it into being...a right of property in that idea immediately comes into existence. The proprietary interest in that object of knowledge is the ownership of it, and is called ‘copyright’. It might just as well be called “ownership”, but we have chosen to call it by another name, reserving “ownership” as the appellation for the proprietary interest in corporeal things, by way of semantic, but not, as I see it, legal, distinction. In this sense, copyright has sometimes been called “intellectual property”, as indeed it is. Thus seen, it is no more “negative” in notion or effect than is property in a *res*. Ownership in a thing is not the right to prevent others from using it. That is merely an incident of ownership. It is the right, at common law at least, subject no doubt to frauds, abuse or the rights of others and possibly abuse of the proprietary

⁵ See LTC Harms “The Role of the Judiciary in the Enforcement of Intellectual Property Rights: Intellectual Property Litigation under the Common Law System with Special Emphasis on the Experience in South Africa” [2004] EIPR 483 484 note 32, who states that intellectual property rights are negative rights. In her discussion of the nature of intellectual property rights, ED Du Plessis “Immaterial Property Rights: Negative or Positive?” 1976 Codicillus 17 22 points out that whilst a negative aspect is inherent in an intellectual property right, it also does contain the positive component of providing the bearer with the power to utilise the object.

⁶ 1986 (2) SA 623 (T).

⁷ Page 631E – G (own emphasis).

interest itself, to do what one pleases with the thing to which it relates, to use it, consume it or exploit it.”

- 4.6** It would seem to be fair to state that, in terms of conventional trade mark law, the use of a trade mark such as BIKE & LEISURE TRADER would not only provide the Complainant with the (negative) right to exclude others from the unlawful use thereof, but also the (positive) right to exploit it in order to facilitate trade. If this is right, then it would follow that the registration of the Disputed Domain Name by the Registrant is preventing the Complainant from exploiting his trade mark, as used, and, possibly, later, as registered, from being registered as a domain name. I thus also find in favour of the Complainant on this ground.

Regulation 4(1)(b)

- 4.7** Since its first use on 5 July 2007, Complainant’s BIKE & LEISURE TRADER mark has been in continuous use. It is accordingly probable that a reputation has been established in relation to this name, having regard to the scale of the distribution of the AUTO TRADER magazine, in which a supplement bearing said mark is included. Having regard thereto, and the fact that the Disputed Domain Name and the Complainant’s trade mark are virtually identical, it is in my view likely that the average member of the public will assume that the business of the Registrant is somehow connected with that of the Complainant. Accordingly, I again find in favour of the Complainant on this point.

5. Decision

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

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DR WIM ALBERTS

SAIPL SENIOR ADJUDICATOR

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