



**SAIPL** Decision

[ZA2011-0098]

**.ZA ALTERNATE DISPUTE  
RESOLUTION REGULATIONS**

(GG29405)

**APPEAL DECISION**

CASE NUMBER:	<b>ZA2011-0098</b>
DECISION DATE:	<b>22 June 2012</b>
DOMAIN NAME	<b>va.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Brandon Davids</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Traverse Legal/Mr John Di Giacomo</b>
THE COMPLAINANT:	<b>Lexshell 44 General Trading (Pty) Ltd t/a V&amp;A Waterfront</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>DLA Cliffe Dekker Hoffmeyr, Inc Mr Eben van Wyk</b>
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	<b>UniForum SA (CO.ZA )</b>

## 1) Procedural History

- 1.1 The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **25 November 2011**.
- 1.2 The Registrant submitted his Response on **3 January 2012**, the due date.<sup>1</sup>
- 1.3 The Complainant submitted its Reply on **10 January 2012**, the day on which it was due, but sought and obtained leave to correct an error in the wording of paragraph 6.<sup>2</sup> The amended Reply was filed on **11 January 2012**.
- 1.4 The SAIPL appointed **Mr Andre van der Merwe** as the Adjudicator. He rendered his decision on **12 April 2012**, upholding the Complaint.
- 1.5 The Registrant filed a Statement of Intention to Appeal on **4 April 2012** and a Notice of Appeal on **2 May 2012**. The SAIPL verified that the Appeal Notice satisfied the formal requirements of the co.za Alternate Dispute Resolution Regulations ("the Regulations") and the SAIPL's Supplementary Procedure.
- 1.6 In accordance with the Regulations, the SAIPL formally notified the Complainant of the appeal on **2 May 2012**. The Complainant submitted its Response on **16 May 2012**.
- 1.7 The SAIPL appointed **Mr Chris Job, Mr GE Morley SC and Ms Mariëtte du Plessis** as the Appeal Panel. The members have submitted statements of acceptance and declarations of impartiality and independence as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure. The presiding adjudicator is **Mr Chris Job**.



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<sup>1</sup> The Registrant did not initially file his full response, but did so later the same day after being notified by

<sup>2</sup> The Administrator referred the issue to the Adjudicator, who allowed the amendment on the basis that the error was clearly unintended and the amendment did not change the substance of the Reply.

## 2) Factual Background

- 2.1 The Complainant is the owner of the well-known V&A Waterfront property situated in Cape Town, Western Cape, South Africa. It is also the holding company of the V&A group of companies, comprising V&A Waterfront Holdings (Pty) Limited, Victoria & Alfred Waterfront (Pty) Limited, V&A Waterfront Properties (Pty) Limited and V&A Waterfront Marina (Pty) Limited. These companies have, since 1990, developed the waterfront area and let properties within the development to businesses ranging from retail stores to restaurants and hotels.
- 2.2 The V&A Waterfront was established more than 20 years ago and is one of South Africa's most frequently visited destinations. It attracts more than 20 million visitors annually and received more than 3 million visitors during the 2010 Soccer World Cup alone. The V&A Waterfront has on numerous occasions been voted the top tourist destination in South Africa.
- 2.3 The Complainant is the proprietor of South African registrations for device trade marks that contain "VICTORIA & ALFRED WATERFRONT" and "V&A WATERFRONT". The registrations in question are as follows:

REGISTRATION NO.	CLASS	TRADE MARK
1991/04716	35	
1991/04717	41	
1999/14909	35	
1999/14910	41	

- 2.4 There are discrepancies between the trade mark registrations identified in paragraph 2.3 of the Adjudicator's decision and those identified in Annexure "VA7" to the Complaint. Firstly, the Adjudicator refers to the trade mark VICTORIA & ALFRED WATERFRONT & DEVICE in class 42 (registration no. 1991/04718) but that registration was not among the

register pages attached as "VA7". Instead, there were two copies of the register page relating to registration no. 1991/04717 for the same trade mark in class 41. Secondly, the Adjudicator referred to the trade mark V&A WATERFRONT & DEVICE in class 42 (no. 1999/1410, presumably 1999/14911), but that registration was also not in evidence as part of "VA7". Thirdly, Annexure "VA7" includes a register page for trade mark registration no. 1991/04714 for the mark WATERFRONT in class 18. Fourthly, the Complainant's index to its trade mark registrations only adds to the confusion. It refers to registrations nos. 1991/04716 and 1991/04718 VICTOR (*sic*) & ALFRED WATERFRONT & DEVICE in classes 35 and 42, but there is no reference to registration no. 1991/04717 for the same trade mark (the class 41 mark). It also refers to registrations for the trade mark V&A WATERFRONT CAPE TOWN & DEVICE in classes 35 and 42, but the registration number of each mark is the same, namely no. 1999/14911. However, as appears from what follows, these discrepancies are of no consequence to the outcome of the appeal.

- 2.5 On 7 July 2011 the Complainant filed applications for the registration of the mark V&A in classes 16, 35, 41 and 43 (applications nos. 2011/16718-21) and V&A WATERFRONT in the same classes (applications nos. 2011/17379-82). All these trade mark applications are still pending.
- 2.6 The Registrant is Mr Brandon Davids, a South African citizen who resides in London. He is the business of registering generic domain names.
- 2.7 The Registrant registered the disputed domain name, va.co.za, on 2 November 2008. The Registrant's stated reason for registering the disputed domain name is that "it is a valuable generic two-letter domain name that is both memorable and marketable."
- 2.8 In early July 2011, the Registrant started to use the domain name in connection with an internet website aimed at providing internet users with information about accommodation, events and retail stores at the V&A Waterfront.

- 2.9 In a letter from its attorneys, dated 6 July 2011, the Complainant alleged that the Registrant was infringing the Complainant's registered trade marks, passing-off his services as being those of the Complainant, infringing the Complainant's copyright in certain artistic and literary works appearing on the Complainant's website, and that the disputed domain name in the Registrant's hands was an abusive registration. The letter accordingly called for the disputed domain name to be transferred to the Complainant.
- 2.10 The Registrant's reply came in a letter from his attorneys dated 15 July 2011. The Registrant's position in the letter was that the disputed domain name was geographically descriptive and that the Complainant's allegations and demands were unjustified. On 26 July 2011, the Complainant's attorneys replied to the Registrant's attorneys and reiterated the Complainant's demands, failing which they stated that they would lodge a complaint in terms of the ADR Regulations on the Complainant's behalf. No further correspondence was seemingly exchanged thereafter.

### **3) Parties' Contentions**

#### **3.1 Complainant**

The Complainant's contentions and submissions are summarised below.

- 3.1.1 It has statutory rights in the trade marks V&A and V&A WATERFRONT by virtue of the fact that V&A is an "essential and distinctive" element of its registered trade marks, being word-and-device marks (hereinafter simply "device marks").
- 3.1.2 It has, in addition, acquired common law rights through the use of the V&A and V&A WATERFRONT trade marks in relation to "retail, restaurant, accommodation and related services". In order to substantiate the reputation it claims to have acquired in the V&A and the V&A WATERFRONT trade marks, the Complainant relies on the use of its marks V&A and V&A WATERFRONT for over 20

years, the popularity of the V&A Waterfront as a tourist destination, and its advertising expenditure in promoting the V&A Waterfront. The Complainant contends that it expends in excess of R1.5 million per year on its advertising. The Complainant also contends that one of its subsidiaries, V&A Waterfront (Pty) Limited,<sup>3</sup> markets and promotes the goods and services of the Complainant on its website situated at [www.waterfront.co.za](http://www.waterfront.co.za).

- 3.1.3 The Claimant therefore has rights in the trade marks V&A and V&A WATERFRONT within the meaning of Regulation 3(1)(a).
- 3.1.4 The disputed domain name, [va.co.za](http://va.co.za), is similar to the Complainant's V&A trade mark and also its V&A WATERFRONT trade mark, in that the word "Waterfront" is said to be purely descriptive. It is not possible to register a domain name incorporating the ampersand symbol and, therefore, the letters "VA" in the disputed domain name are likely to be pronounced as "V&A". On this basis, the disputed domain name is identical or similar to the trade marks in which the Complainant has rights, for purposes of Regulation 3(1)(a).
- 3.1.5 The disputed domain name, in the hands of the Registrant, is an abusive registration. In particular, the disputed domain name was both registered and used in a manner that took unfair advantage of, or was unfairly detrimental to, the Complainant's rights.
- 3.1.6 None of the factors that may indicate that the disputed domain name is not an abusive registration, in terms of Regulation 5, is present. On the contrary, a number of factors indicate that the disputed domain name is an abusive registration. Here the Complainant relies on the fact that the Registrant's website was taken down immediately after he received the Complainant's letter

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<sup>3</sup> Annexure "VA 9" to the Complaint, being a *Whois* search in respect of the domain name [waterfront.co.za](http://waterfront.co.za), indicates that the registrant is Victoria & Alfred Waterfront (Pty) Limited. There is no V&A Waterfront (Pty) Limited amongst the companies named by the Complainant as its subsidiaries. Nothing turns on this error.

of demand and that he does not, therefore, make any fair or legitimate use of the disputed domain name. The Complainant contends that the same facts establish the Registrant's registration and use of the domain name in bad faith.

- 3.1.7 The Registrant registered or used the disputed 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.
- 3.1.8 The Registrant's website, before it was removed, contained "various direct copies of pictures (artistic works) and descriptions (literary works) of hotels, restaurants and activities offered (*sic*) by the Complainant and/or its tenants, taken verbatim from the Complainant's website". In doing so, infringed the Complainant's copyright and passed-off his services as being those of the Complainant.
- 3.1.9 The Registrant's website did not only advertise the Complainant's services, but also advertised the services offered by competing hotels. The Complainant submits that the Registrant's use of the domain name was therefore *mala fide* and unfairly disrupted the business of the Complainant in that internet traffic was directed to the Registrant's website at the expense of the Complainant.
- 3.1.10 The Registrant has not used, registered or applied to register any trade mark consisting of, or containing, the VA or V&A marks and has not acquired rights in either of those marks. There is also no legitimate reason for the Registrant's registration and use of domain name va.co.za, as the letters VA have no meaning and are not commonly used in trade or otherwise. The Registrant registered the domain name purely in order to enable him "to ride on the coat tails of the Complainant".
- 3.1.11 The Registrant had knowledge of the Complainant at the time he registered the disputed domain name, as the Registrant's website

contained content from the Complainant's website and has never been used in a manner that did not refer directly to the Complainant (presumably the V&A Waterfront).

- 3.1.12 By registering and using the disputed domain name, the Registrant intended to attract internet users to its website and away from the Complainant. This conduct is abusive in that it takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.
- 3.1.13 The disputed domain name was registered primarily with the intention of blocking the registration of a name or mark in which the Complainant has rights. The Registrant knew or should have known that his registration of the domain name would prevent the Complainant from registering the domain name as its own.
- 3.1.14 The Complainant concludes that the registration or use of the domain name takes unfair advantage of the "well-known status of the Complainant"<sup>4</sup> and is unfairly detrimental to the Complainant; that the Registrant's infringement of the Complainant's copyright is detrimental to the Complainant; and that the conduct of the Registrant in advertising competing hotels and accommodation services is also unfairly detrimental to the Complainant's business.
- 3.1.15 Accordingly, the disputed domain name should be transferred to it.

## 3.2 Registrant

The Registrant's contentions and submissions are summarised below.

- 3.2.1 The Complainant's trade mark registrations afford it no statutory rights in the mark V&A *per se*, but only in the composite marks, as registered.

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<sup>4</sup> It is not clear whether the Complainant intended to refer to its allegedly well-known trade marks or the fame of its property development, but the distinction between the trade marks, on the one hand, and the V&A Waterfront as a location, on the other, is significant in the context of this decision.



- 3.2.2 The Complainant cannot have exclusive rights in a “generic two-letter mark”.
- 3.2.3 The letters VA are geographically descriptive, that the Complainant cannot acquire exclusive rights to the use of those letters and that his use of the disputed domain name amounts to *bona fide*, geographically-descriptive use. The Registrant attaches internet printouts showing that the “V&A Waterfront” is used in the Complainant’s address on the “Contact Us” page of its own website; that other “V&A Waterfront residents” do the same; and that a search using Google Maps describes the area as the “V&A Waterfront”.
- 3.2.4 Even if the Panel was to find that the Complainant does have rights in the marks V&A or V&A WATERFRONT, the disputed domain name is not identical or similar to either of those marks.
- 3.2.5 The Registrant registered the disputed domain name because it consists of the generic two-letter combination “VA”. Furthermore, he soon realised that he could use the domain name in a geographically-descriptive manner to provide consumers with information and reviews concerning accommodation and retail stores located at the V&A Waterfront area in Cape Town.
- 3.2.6 On receipt of the Complainant’s letter of demand, he removed his website from the internet in “an abundance of caution”.
- 3.2.7 The disputed domain name is not an abusive registration and, specifically, the Registrant has not attempted to sell, rent, or transfer the domain name to the Complainant and has not blocked the Complainant’s ability to reflect its own marks in domain names. He has not attempted to disrupt the business of the Complainant, nor has he used the disputed domain name falsely to imply an association with the Complainant by way of sponsorship, endorsement or otherwise. The Registrant’s position is that he merely provided

internet users with information and reviews concerning accommodation, events and retail stores located in the geographic area of the V&A Waterfront.

3.2.8 Finally, there should be a finding of reverse domain name hijacking on the part of the Complainant in that it knew, or should have known, that it would be unable to prove that the disputed domain name was registered in bad faith.

#### **4) Registrant's Appeal Notice and Complainant's Response to the Appeal Notice**

##### **4.1 Registrant's Appeal Notice**

In his notice of appeal, the Registrant contents as follows.

###### **4.1.1 The Adjudicator**

- (i) ignored established legal precedent;
- (ii) misapplied South African law and disregarded established South African precedent; and
- (iii) ignored factual evidence contained within the record.

4.1.2 The Adjudicator ignored two foreign decisions in relation to the first contention.<sup>5</sup>

4.1.3 On the second ground, the Adjudicator misapplied the decisions in Century City Apartments v Century City Property Owners Association 2010 (3) SA 1 (SCA), and Groupe LFE v Swartland Winery (467/07) [2011] ZASCA 4 (4 March 2011). After quoting from Century City in his Appeal Notice, the Complainant contends:

'Similarly, Complainant's own address is "Victoria and Alfred Waterfront, Cape Town, South Africa." The Waterfront contains its own post office, signs direct the public there, and a person who

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<sup>5</sup> *Atlantic Station, LLC v Dargan Burns III*, FA 1250592 (National Arbitration Forum April 26, 2009) and *Board of Regents, the University of Texas System v Vertical Axis, Inc.*, FA 1322040 (National Arbitration Forum June 25, 2010).

intends to dine at the Waterfront will describe the restaurant with reference to its location. See **Exhibit A.**'

4.1.4 Apart from the reference to the address of the Complainant, this submission embodies new evidence and the Panel has to decide on its admissibility.

4.1.5 Finally, as far as the third ground is concerned, the Adjudicator made two incorrect findings of fact. Only one of those findings needs to be dealt with here.<sup>6</sup> The important factual finding on which the Adjudicator is said to have erred is his finding that the Registrant *used* V&A as a trade mark because "it is both memorable and marketable", whereas the correct position is that he only *registered* the domain name for that reason and later chose to *use* the domain name for a different reason.

#### 4.2 **Complainant's Response to the Appeal Notice**

The Complainant's Response to the Appeal Notice is now summarised.

4.2.1 *In limine*, the Registrant's appeal notice did not contain "detailed grounds and reasons for the appeal" as required by Regulation 13(b) of the Supplementary Procedure. The Complainant accordingly was responding to the Registrant's appeal notice to the extent that it was able to do so.

4.2.2 The Registrant did not challenge the Adjudicator's finding that the disputed domain name is identical or similar to a mark in which the Complainant has rights. For this reason, the Appeal falls to be decided purely on whether or not the disputed domain name is an abusive registration.

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<sup>6</sup> The other concerned the presence or absence of a disclaimer on the Registrant's website to the effect that "All trademarks and web sites that appear throughout this site are the property of their respective owners... This site is not affiliated with any government or corporate entity associated with a name similar to the disputed domain name". The presence or absence of this disclaimer has no bearing on the Panel's findings and is accordingly ignored.

- 4.2.3 In response to the Registrant's first ground of appeal, a number of national and foreign decisions mentioned in the Adjudicator's decision are listed.
- 4.2.4 In response to the Registrant's second ground of appeal, the Registrant's use of the dispute domain name is nothing but trade mark use, with reference to the decisions in *Swartland* and *Century City*.
- 4.2.5 Lastly, the Complainant does not genuinely contest the Registrant's third basis for his appeal, namely that the Adjudicator erred in not clearly distinguishing between the Registrant's reason for registering the disputed domain name and his reason for using the domain name. The Complainant's position is that nothing turns on the distinction.

## 5) Discussion and Findings

In order to succeed, the Complainant is required to prove that:

- (i) it has rights in respect of a name or mark;
- (ii) which is identical or similar to the disputed domain name; and
- (iii) in the hands of the Registrant, the domain name is an abusive domain registration.<sup>7</sup>

### 5.1 Registrant's new evidence

5.1.1 A preliminary issue that needs to be dealt with is whether or not the Appeal Panel should consider the Registrant's evidence, submitted for the first time in his Appeal Notice, to establish that the names "V&A" and "V&A Waterfront" are geographically descriptive.

5.1.2 Regulation 32(9) provides that "The appeal panel will not take into consideration any new evidence presented in an appeal notice or appeal notice response, unless they believe it is in the interests of justice to do so".

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<sup>7</sup> Regulation 3(1)(a).

5.1.3 There is no apparent objection by the Complainant to the Registrant's attempt to introduce new evidence. Nevertheless, it remains for this Panel to decide whether or not to allow that evidence in the interests of justice.

5.1.4 Apart from the evidence relating to the Complainant's address (which was included in the Complaint), the Registrant seeks to introduce into evidence that "the Waterfront has its own post office, signs direct the public there, and a person who intends to dine at the Waterfront will describe the restaurant with reference to the location". Exhibit A, which is filed in support of these contentions, is a single printout showing the existence of the "V&A Waterfront Post Office", situated at Shop 263 (Victoria & Alfred Waterfront), Cape Town. The remaining contentions are not supported by the printout. The Panel need therefore only decide on the admissibility of the printout to establish the existence of the Post Office.

5.1.5 Evidence of the kind the Registrant seeks to introduce is nothing more than what would typically be used to establish that a name is geographically descriptive. There is no reason given as to why the Registrant failed to include the evidence in his Response. Accordingly, the Panel finds that it is not in the interests of justice to allow the new evidence. The Registrant's Response did, however, include similar evidence and the Panel has considered that.

## **5.2 Complainant's point *in limine***

In the Panel's view, the Registrant's grounds for the appeal and his reasons for doing so are set out in sufficient detail in the Appeal Notice and involve the same grounds as those already raised by him in his Response to the Complainant's complaint. The Complainant was accordingly afforded an opportunity to, and did, respond to the questions of fact and law on which this Panel's findings are made. There can

accordingly be no prejudice to the Complainant and the Panel accordingly dismisses the Complainant's point *in limine* and turns to determine the substantive issues in dispute.

### 5.3 Rights in respect of a name or mark

5.3.1 The Complainant is the proprietor of registrations for device trade marks containing the marks VICTORIA & ALFRED WATERFRONT and V&A WATERFRONT. The registrations are valid and in force. The Panel has already referred to the discrepancies between the registered trade marks identified in paragraph 2.3 of the Adjudicator's decision and the registered trade mark identified in the Complaint.

Insofar as the Complainant's registered trade marks are concerned, the Panel's decision is based only on the registered trade marks that are actually in evidence in Annexure "VA7" to the Complaint, namely those reflected in the table under paragraph 2.3 of this decision and the registration for the trade mark WATERFRONT is class 18. The latter registration is irrelevant and appears to have been attached to the Complaint in error. The mark WATERFRONT cannot on any construction be said to be similar to the disputed domain name and the goods covered by the registration have no bearing on the Complaint.

5.3.2 The basis for the Complainant's contention that its registered device marks are being infringed is on a par with what the Respondent contended in *Century City*, summarised as follows by Harms DP:

*"The next consideration is the question of infringement of the Association's device marks that contain the words Century City... The Association's argument in this regard was fairly simple: since the device mark contains the words Century City any use of the words Century City would infringe because they are, orally, confusingly similar."*

Harms DP went on to state that:

*"The answer is not that straightforward. To determine the likelihood of confusion the matter must be approached globally. Different types of trade marks are used differently, something recognized by the definition of 'use' in the Act [Section 2]. A device is by definition a 'visual representation or illustration capable of being reproduced upon a surface' [Section 2]. The value (and distinctiveness) of such a mark depends heavily (and sometimes exclusively) on its visual impact. In this respect it is not much different from marks that consist of a colour or ornamentation or are containers. If these marks are combined with words or names their oral value may, depending on the circumstances, come to the fore. The same applies if they can be referred to descriptively. It may therefore be that the aural and/or conceptual dominant component of such a mark neutralises the visual differences deriving from its graphic particularities. (Cervecería Modelo, SA de CV v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) 2005 WL 366940) Jeremy Phillips suggests in a footnote that it depends very much on the nature of the goods or services (Trade Mark Law – A Practical Anatomy (2003) OUP paras 10.29-10.33). The Appellant's services are provided mainly through advertisements and internet sites. There is no evidence of oral use of the device marks in relation to the services involved. The likelihood of confusion appears to me in the circumstances of the case to be negligible and can be discounted. It follows from this that I am of the view that the Association has failed to establish infringement of the remaining device marks."*

- 5.3.2 Similarly, the Complainant's registered device marks consist of a substantial amount of matter in addition to the words VICTORIA & ALFRED WATERFRONT and V&A WATERFRONT. The device marks, viewed as wholes, primarily have a visual impact and their distinctiveness relies to a large extent on that visual impact. While the oral value of the marks may come to the fore when referred to with reference to their written components, there is no evidence of oral use of the device marks in relation to the relevant services.
- 5.3.3 Therefore, the panel finds that the adjudicator was correct in holding that the trade marks forming the subject matter of the Complainant's trade mark registrations are not identical or similar to the disputed domain name. Accordingly, the Complainant's registered trade marks will be ignored for purposes of this decision.
- 5.3.4 The Complainant produced evidence that it filed trade mark applications for the marks V&A and V&A WATERFRONT in classes 16, 35, 41 and 43. These trade mark applications were filed on 7 July 2011, one day after the Complainant's letter of demand was sent to the Registrant, and remain pending. The trade mark applications confer no enforceable rights<sup>8</sup> and will therefore be ignored for purposes of deciding this appeal.
- 5.3.5 On the issue of whether or not the Complainant has established a right in a name or mark, the only question remaining, then, is whether or not the Complainant has established a protectable goodwill or reputation and, therefore, common law rights, in the mark V&A or V&A WATERFRONT in relation to relevant services, namely, hotel, restaurant, entertainment and retail services and their advertisement.
- 5.3.6 The Registrant contends, as a matter of principle, that it is not possible to acquire rights in a two-letter mark. The Registrant's

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<sup>8</sup> Section 33 of the Trade Marks Act 194 of 1993.



contention on this point must be rejected. While it is true that the addition of one or more characters to a two-letter mark may be sufficient to distinguish it from a mark comprising only the same two letters, there can be no objection to the assertion of rights in a two-letter mark *per se*. The well-known trade marks BP (petroleum) and LG (electronics) immediately come to mind as examples of distinctive two-letter trade marks. However, whether and to what extent the Complainant has established the existence of common law rights in V&A or V&A WATERFRONT as a matter of fact is addressed below.

5.3.7 The Complainant contends that, through its extensive use of the V&A and V&A WATERFRONT trade marks for more than two decades, it has acquired common law rights in its marks as trade marks. The Complainant seeks to substantiate this allegation with reference to advertisements, evidence of exposure in the media and the number of visitors that the V&A Waterfront receives, and advertising expenditure. The evidence clearly establishes, in the Panel's view, that the V&A Waterfront is a very well-known and popular destination for tourists and others looking to take advantage of the multitude of hotel, retail, restaurant and entertainment services conveniently situated in one place. However, that does not establish that the Complainant has acquired rights in the trade mark V&A or V&A WATERFRONT in relation to the provision of hotel, retail, restaurant or entertainment services, in other words that these marks indicate the Complainant as the business origin or source of such services.

5.3.8 There is no evidence, in the first instance, that the Complainant has ever used the marks in relation to any of these services. The Complainant's evidence consists largely of internet printouts that all, more or less, mention the popularity of the V&A Waterfront as a geographic destination and highlight the facilities and services on offer there. This difficulty is compounded by the Registrant's

evidence that the Complainant and others use the name "V&A Waterfront" in their addresses and that the V&A Waterfront development is, above all, a location. On the evidence, the marks V&A and V&A WATERFRONT have, probably acquired a reputation for services relating to the development of real estate and to its letting. Outside of those services, however, the Panel finds on the evidence that the V&A and V&A Waterfront represent a well-known geographic landmark.

5.3.9 Accordingly, the Panel finds that the Adjudicator, erred in concluding that the marks V&A and V&A WATERFRONT have acquired a general secondary meaning as trade marks in relation to all the services in issue, including hotel, restaurant, entertainment and retail services and their advertisement. Use does not necessarily equate to distinctiveness and this is all the more so where a mark is a geographical name or otherwise has geographical significance. A Complainant seeking to claim rights in such a mark is required to produce cogent evidence of the use of the mark, as a trade mark, in relation to the goods and the provision of the services in relation to which it claims to have rights. It has done so in relation to the development of real estate, and its letting, but not in relation to hotel, restaurant, entertainment and retail services as such reputations as may exist in the latter regard are those of the tenants and their businesses, with "V&A" or "V&A WATERFRONT" indicating their locations.

5.3.10 The Panel finds that the Complainant has, however, established sufficient rights in the name or mark V&A or V&A WATERFRONT to confer *locus standi* on it for purposes of this complaint but those rights are limited in scope, with the consequences dealt with later in this decision.

5.3.11 Before turning to the next requirement, the Panel finds it necessary to deal briefly with the allegations of copyright infringement raised by the Complainant. While the Complainant

did not prove the subsistence of copyright in the artistic and literary works in question, or that it owns the copyright in the works, the question of copyright is irrelevant to the determination of this dispute and the Panel finds it unnecessary to deal with the issue.

#### **5.4 Identity or similarity between the Complainant's name or mark and the disputed domain name**

5.4.1 As already mentioned, the panel has come to the conclusion that the Complainant's registered trade marks, being device marks, are not identical or similar to the letters VA in the disputed domain name.

5.4.2 The Panel considered the question of whether the domain name is identical to the marks V&A or V&A WATERFRONT on which the Complainant asserts rights. In *Century City*, Harms DP said the following:

*"The next issue is whether the marks 'Century City' and 'Century City Apartments' are, in the wording of Section 34(1)(a) 'identical'. I think not. As the European Court of Justice indicated,*

*'[t]he criterion of identity of the sign and the trademark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects'.*

*(LTJ Diffusion SA v Sadas Vertbaudet SA (2003) ETMR 83 European Trade Mark Reports) para 50). This is, however, subject to the proviso that minute and wholly insignificant differences are not taken into account (Reed Executive Plc & Ors v Reed Business Information Ltd & Ors [2004] EWCA Civ 159; ([2004] RPC 40) para 29). In other words, the de minimis principle applies."*

5.4.3 In ZA 2011/0099 (vawaterfront.co.za) the adjudicator, in comparing the mark V&A WATERFRONT with the domain name vawaterfront.co.za, stated the following after having cited the aforementioned passage from *Century City*:

*"On this basis, the absence of the word 'and' is likely to be de minimis. However, the Supreme Court of Appeal was not concerned with domain names, where one character difference in an address bar, entered, can make a difference in result. For this reason the Adjudicator is not prepared to find that <vawaterfront> is identical to "V&A Waterfront", although it is no doubt similar within the meaning with the Regulations."*

5.4.4 On the strength of the statements made by Harms DP in *Century City* and the findings of the adjudicator in the vawaterfront.co.za matter, the Panel finds that the mark V&A or V&A WATERFRONT is not identical to the disputed domain name. For the reasons given and those to follow, however, the Panel finds it unnecessary to decide whether or not the marks V&A or V&A WATERFRONT are similar to the letters VA in the disputed domain name.

## **5.5 Abusive Registration**

5.5.1 To succeed in its complaint, the Complainant also has to prove that the disputed domain name, in the hands of the Registrant, is an abusive registration. An abusive registration is defined in the Regulations<sup>9</sup> as:

*"A domain name which either –*

- (a) *was registered or otherwise acquired in a manner in which, at the time when the registration or acquisition took place, took*

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<sup>9</sup> Regulation 1.

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*unfair advantage of or was unfairly detrimental to the Complainant's rights; or*

(b) *has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights".*

5.5.2 Regulation 4 lists a number of factors that may indicate that a disputed domain name is an abusive registration. The Complainant relied on a number of these grounds, but the thrust of its case is 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.<sup>10</sup> It is also on this issue that the Registrant's primary defence of geographic descriptiveness comes to the fore. Accordingly, the Panel deals with this issue first, before considering the other grounds raised by the Complainant under Regulation 4.

5.5.3 As already mentioned, the Complainant contends that the Registrant, by registering and using the domain name va.co.za (which is said to be similar to the V&A and V&A WATERFRONT marks) and by using the mark V&A WATERFRONT extensively on his website, intended to attract internet users to his website and away from the Complainant. According to the Complainant, the use of the domain name cannot have been *bona fide* if it served as "bait" to attract customers, rather than as a descriptor of the Registrant's products or services.

5.5.4 The Registrant, on the other hand, contends in his response that he registered the domain name because it consists of the generic two-letter combination "VA", but stated that he soon realised that he could use the domain name in a geographically-descriptive manner to provide consumers with information and reviews relating to services available at the V&A Waterfront area in Cape

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<sup>10</sup> Regulation 4(1)(b).

Town. This explanation differs from (but is not necessarily inconsistent with) the explanation given in the Registrant's attorneys' letter of 15 July 2011 written in response to the letter of demand. In that letter, the Registrant's stated position was simply that he was entitled to register and use the disputed domain name, *va.co.za*, because it was a *bona fide* description of the V&A Waterfront as a geographical area. This remains the Registrant's primary defence. The Registrant relied on the decision in *weskusmall.co.za* [ZA2009-0029] in order to substantiate it.

5.5.5 The Panel has considered the decision in *weskusmall.co.za*, but could find no guidance from that decision because the facts of the matter were distinguishable from those in the present case. Significantly, the name *Weskus* (West Coast) (the name of the area in which the Complainant's business was located) is inherently geographically descriptive, whereas the same cannot be said of the name "V&A". Secondly, the Complainant in that complaint produced no evidence of its use of the name WESKUS MALL as a trade mark. The Adjudicator's *finding that* the Complainant had not established a right in the name or mark WESKUS meant that she did not need to consider whether or not the disputed domain name was abusive.

5.5.6 In *Century City*, the Supreme Court of Appeal had to consider the appellant's reliance on Section 34(2)(b) of the Trade Marks Act 194 of 1993 ("the Act") which, insofar as it is relevant, provides that "a registered trade mark is not infringed by the use by any person of any *bona fide* description or indication of the geographical origin of his services".<sup>11</sup> The facts in *Century City* are similar to those in the present dispute, particularly as the *Century*

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<sup>11</sup> Section 34(2):

"A registered trade mark is not infringed by –

(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.'

*City* case also dealt with the question of whether the name Century City – another one of Cape Town’s

significant landmarks comprising a residential and commercial property development offering a host of retail, restaurant, accommodation and entertainment services in one location – was a trade mark or purely a geographical location.

5.5.7 In *Century City*, Harms DP held that Section 34(2)(b) of the Trade Marks Act –

*"... represents the other side of the coin of the requirement that the infringing use has to be trade mark use. A bona fide description or indication of the geographical origin of an alleged infringer’s services amounts to non-trade mark use and whether one considers it as part of the trade mark owner’s cause of action or as a defence does not make much difference."*

5.5.8 The Appeal Court found that the appellant’s use of its name amounted to trade mark use and, for that reason, the appellant’s defence under Section 34(2)(b) of the Trade Marks Act failed. This then required the Court to consider the appellant’s counter-application for the removal of the Respondent’s trade mark registrations in terms of Section 10(2)(b) of the Act. Insofar as it is relevant, the section provides that a mark may not be registered and a registered trade mark is liable to be removed from the register if it consists exclusively of a sign or an indication which may serve, in trade, to designate the geographical origin of the services.<sup>12</sup>

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<sup>12</sup> Section 10(2)(b):

‘The following marks shall not be registered as trade marks or, if registered, shall, subject to the provisions of Section 3 and 70, be liable to be removed from the register:

- (1) ...;
- (2) a mark which –
  - (a) ...;
  - (b) consists exclusively of the sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of the rendering of the services; ...’.

The proviso reads :

‘provided that a mark shall not be refused registration by virtue of the provisions of paragraph (2) or, if registered, shall not be liable to be removed from the register by virtue of the said provisions if at the date of

5.5.9 After considering the history of Section 10(2)(b), the Appeal Court went on to consider the question as to when a mark consists exclusively of a sign or an indication which may serve, in trade, to designate the geographical origin of the services. It held that –

*“Section 10(2)(b) prohibits the registration of geographical names as trade marks ‘solely where they designate specified geographical locations which are already famous or are known for the category of goods or services concerned, and which are therefore associated with those goods in the mind of the relevant class of persons’. It also prohibits registration of geographical names that are likely to be used by undertakings. They ought to remain available as indications of the geographical origin of the category of relevant goods or services (Peek & Cloppenburg KG’s Application [2006] ETMR 33 para 34)”.*

5.5.10 The Appeal Court held that Section 10(2)(b) is not concerned with distinctiveness or its loss<sup>13</sup> and, further, that the prohibition is not directed at protecting trade mark use only, but would also include the situation where the name may designate the geographical origin of the goods or services. The word “exclusively” in Section 10(2)(b) means that the prohibition is directed at a mark that consists purely of a geographical name without any additional matter. It does not mean that the place name should have an “exclusively geographical meaning”.

5.5.11 In as much as the domain name va.co.za consists solely of the letters VA, without additional matter, the disputed domain name would fall within the ambit of the defence contained in Section 34(2)(b) of the Act if the Complainant was relying on a registered trade mark. The question that would remain, then, would be whether the Registrant’s use of the disputed domain name constitutes trade mark use or *bona fide*,

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the application for registration or at the date of application for removal from the register, as the case may be, it has in fact become capable of distinguishing within the meaning of Section 9 as a result of use made of the mark.’

<sup>13</sup> According to the court, that is dealt with in Section 10(2)(a) and its counterpart, Section 9.



geographically-descriptive use designating the origin of the services advertised. Of course, as has been found above, this case only relates to common law and not registered rights, in *Century City*, Harms DP had the following to say on the issue:

*"The objections that apply to the appropriation of a geographical location as a trade mark apply here [in the context of the passing-off claim] too."*

5.5.12 On the evidence before it, the Panel finds on a balance of probabilities that the name V&A or V&A Waterfront is a geographical name. The fact that it is the most frequently visited destination in South Africa does not change this: to the contrary, it reinforces this finding. Indeed, the Complainant's evidence establishes overwhelmingly the fame of the V&A Waterfront as a tourist destination, a harbour location set in beautiful surroundings with a multitude of service offerings from businesses established there and facilities that attract visitors. This finding does not, in terms of *Century City*, negate such trade mark rights as the Complainant has in its marks in relation to its particular services and business because a mark can be both geographically descriptive and serve a trade mark function simultaneously for different services.

5.5.13 The Panel finds that the Registrant, by registering and using the domain name va.co.za, did nothing more than provide consumers with information and reviews concerning the facilities on offer at the V&A Waterfront area of Cape Town. This amounts to a *bona fide* description of the geographical origin of the services in question. The fact that the Registrant removed his website after receiving the Complainant's letter of demand is not inconsistent with this finding. The Registrant did so in "[a]n abundance of caution" and did not concede wrongdoing in any way.

5.5.14 The facts in the present dispute, which in several respects are on all fours with those in *Century City*, can be distinguished from the facts in *Swartland*. In *Swartland*, the Supreme Court of Appeal had to consider the appellant's defence in terms of Section 34(2)(b) and its counter-

application in terms of Section 10(2)(b) of the Act in circumstances where it was using the mark SWARTLAND in relation to wine (SWARTLAND also being the Respondent's registered trade mark for wine and a geographical area in the Western Cape). The evidence established that the Respondent had used the SWARTLAND trade mark in relation to a specific product, namely wine, for over 60 years and that no other wine producers had ever used the mark as a trade mark in relation to their wines. The Court concluded that, on the evidence, the Respondent had established a substantial reputation in the SWARTLAND trade mark in relation to its wines. The Court also found that the appellant had used the name SWARTLAND as a trade mark and not as a *bona fide* indication of the origin of its wines.

5.5.15 In view of the panel's findings that the Complainant has no relevant rights in the marks V&A or V&A WATERFRONT and that the Registrant's registration and use of the domain name constitutes a *bona fide* indication of the geographical origin of the services concerned, it follows that the panel finds that the Registrant did not: block intentionally the registration of a name or mark in which the Complainant has rights; disrupt unfairly the business of the Complainant; prevent the Complainant from exercising its rights or take unfair advantage of or act in a manner unfairly detrimental to, the Complainant's rights. These were the Complainant's remaining contentions under Regulation 4, specifically Regulation 4(1)(a)(ii)-(iv).

## 6) Reverse domain name hijacking

- 6.1 The Panel now turns to consider whether or not to make a finding of reverse domain name hijacking against the Complainant.
- 6.2 Regulation 1 defines "reverse domain name hijacking" as "using these Regulations in bad faith to attempt to deprive a registrant of a domain name". The panel has found that the Complainant has limited rights in a name or mark identical or arguably similar to the disputed domain name, and finds on a balance of probabilities that the Complainant lodged its

complaint in the reasonable belief that its marks would possibly be found to be similar to the disputed domain name and that it had established relevant rights in the marks V&A and V&A WATERFRONT at common law. Therefore, the Panel holds that, on a balance of probabilities, the Complainant did not use the Regulations in bad faith in an attempt to deprive the Registrant of the disputed domain name. The Registrant's contention of reverse domain name hijacking is therefore dismissed.

**8) Decision**

For the foregoing reasons, the Appeal Panel finds that the adjudicator came to the incorrect conclusion. The appeal is upheld and the disputed domain name is found not to be an abusive registration.

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