

ADJUDICATOR DECISION

CASE NUMBER:	ZA2012-0114
DECISION DATE:	08 October 2012
DOMAIN NAME	Waltonsjhb.co.za
THE DOMAIN NAME REGISTRANT:	THANDOLWAKHE SANGWENI
REGISTRANT'S LEGAL COUNSEL:	none
THE COMPLAINANT:	BID INDUSTRIAL HOLDINGS (PTY) LTD (First Complainant) WALTONS STATIONERY CO (PTY) LTD (Second Complainant) BIDVEST GROUP LTD (Third Complainant)
COMPLAINANT'S LEGAL COUNSEL:	Spoor & Fisher
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **6 August 2012**. On **7 August 2012** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on **8 August 2012** 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.
- b. In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **8 August 2012**. In accordance with the Regulations the due date for the Registrant's Response was **6 September 2012**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **7 September 2012**.
- c. The Registrant notified the SAIPL on **7 September 2012** by email from Isangweni@gmail.com that "I have submitted the response", and on 10 September the SAIPL advised the Registrant that no response had been received, but that if one had been submitted, it should re-send it to disputes@domaindisputes.co.za. When no response or further communications were received from the Registrant, the SAIPL notified the Registrant on **12 September 2012** that it was in default, and that the complaint would therefore proceed on the basis that the Registrant was in default.
- d. The SAIPL appointed **Vanessa Lawrance** as the Adjudicator in this matter on **17 September 2012**. 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 Adjudicator was assisted by **Debbie Marriott**.

2) Factual Background

- a. As no response was submitted by the Registrant, the following facts as submitted by the Complainant are undisputed, and as they are not palpably implausible, the Adjudicator accepts them for the purposes of this adjudication.
- b. The domain was registered on 26 October 2011 by Thandolwakhe Sangweni, with Ndela Quincy Ntuli as the administrative contact. The only information known about the Registrant, as available from the Whois facility, is as follows:

Physical: unknown

Postal: Postnet Suite 229, Private Bag x26

Telephone: +27 . 833840202

Fax: +27. 866040672

E-mail: quincy.ntuli@gmail.com

- c. The First and Second Complainants are wholly owned subsidiaries of the Third Complainant. The First Complainant is the registered proprietor of the trade mark WALTONS in classes 16 and 42 and WALTONS Device **Waltons** in class 16 of the trade marks register. The Second Complainant uses the trade marks with the permission of, and under license from, the First Complainant.
- d. The business of the Second Complainant was established in 1949 by a father and son named Hence Walton and Normal Walton respectively. The initial WALTONS outlet was located in Cape Town and traded in stationery and work tools. Additional branches were opened nationwide over the years, as well as in Namibia. Today, the company supplies home, school and office-product supplies and claims to be South African's largest stationery and office supplies company.

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- e. The WALTONS trade mark is used on all vehicles and shop fronts are branded with WALTONS, and some of the actual products sold by the various branches also bear the WALTONS trade mark.
 - f. The WALTONS brand is promoted via the official website www.waltons.co.za, and advertisements in newspapers with national circulation and on television. The sale of WALTONS branded products is also promoted via catalogues and flyers. The Complainant's spend millions of Rands on advertising each year.
 - g. The domain name <waltonsjhb.co.za> wholly incorporates the Complainant's WALTONS trade mark, and differs only by the addition of the letters "jhb". The letters "JHB" are an accepted abbreviation for 'Johannesburg' and would appear to be a reference to the city by this name. The domain name was registered in 2011, many years after the Complainants had registered and first started using their WALTONS trade mark.
 - h. On 23 July 2012 a representative of the Second Complainant, Ms Victoria Marshall, received a telephone call from a company that apparently conducts business as a provider of flexible workspaces, known as "Regus". Ms Marshall of the Second Complainant was informed that Regus had received a request from a 'Jonas Adams' apparently of Waltons, requesting a call answering service connected for "WALTONS" in the Eastern Cape. The company seeking the call answering service called itself "Waltons Stationery", and the enquiry email was sent from hr@waltonsjhb.co.za. It is not clear from the Complainant's submissions or the email enquiry submitted into evidence whether Regus had actually been confused by the use of a company name and domain name that wholly incorporates the Complainants' trade mark, but given that Regus brought it the attention of the Complainants, some link to The Complainants was clearly made by Regus.
 - i. The Complainants have no association with waltonsjhb.co.za, and have not authorised the Registrant to use the WALTONS trade mark as part of the offending domain name.

3) Parties' Contentions

a. Complainant

- i. The Complainants submit that they have established substantial statutory and common law rights in and to the WALTONS trade mark in South Africa, as a result of numerous trade mark registrations and owing to the extensive use of the mark by the Second Complainant.
- ii. It is submitted that the Registrant adopted the domain name purely for the purpose of fraudulently passing itself off as the Second Complainant and to mislead and deceive people he conducts business with, into believing that they are conducting business with the Second Complainant.
- iii. The Complainants submit that the domain name is identical to their WALTONS trade mark, and that the proviso in Regulation 5(c) that shifts the burden of proof to the Registrant to show that the registration is not abusive, is relevant. In support of this submission, the Complainants cited a referral in SAIPL Decision ZA2007-0007 to a finding by the Expert in Nominet DRS 00658 Chivas Brothers Ltd v David William Plenderleith that it is reasonable to infer that the domain name was registered in bad faith where it is identical to another's name, and further cited SAIPL Decision ZA2007-0007 dealing with the domain name fifa.co.za in support thereof.
- iv. In the alternative to their claim that the offending domain name is prohibited in terms of regulation 5(c), the Complainants submitted that the offending domain name is abusive in terms of Regulation 3(1)(a) because it is impossible to infer that it was chosen for any reason other than to impersonate the Second Complainant, given the alleged fame of the WALTONS trade. The Complainants referred to the case of British Telecommunications Plc & Others v

One In A Million Limited & Others [1998] FSR 265, and the Expert's statement at para 7.6 of Nominet DRS 02201 Viking Office Products Inc. v Wenda Sparey, and SAIPL Decision ZA2007-0007 in support thereof.

- v. The Complainants submitted that the offending name was chosen by the Registrant because it is identical to the Complainant's trade mark, and that there is no plausible reason for the Registrant's selection of the offending domain name unless it was and is a deliberate attempt to profit from confusion with the Complainant's mark which they claimed would inevitably result. The Complainants contend that the misdirected enquiry from Regus is evidence of an actual instance of deception in the market. The Complainants submit that the offending domain name suggests a connection with the Second Complainant, and that, in selecting the offending domain name, the Registrant is in effect exploiting the goodwill and reputation of the WALTONS trade mark.
- vi. The Complainants submit that the Registrant has not used or made any demonstrable preparations to use the domain name in connection with a good faith offering of goods or services, and that the Registrant has not made legitimate non-commercial or fair use of the domain name.
- vii. The Complainants contend further that, considering the fame of the WALTONS trade mark, it is not possible to conceive of any plausible purpose for which the offending domain name could be used by the Registrant which would not be illegitimate, such as by passing-off, or an infringement of the First Complainant's statutory and vested rights in the WALTONS trade. The Complainant's referred to the WIPO Panel's decision in D2006-0551 and WIPO Administrative Panel decision in D2004-0110, to support their contention that, in determining the issue of legitimate use by the Registrant, the Complainant need only make out a prima facie case that the Registrant lacks rights or legitimate interests in the domain name. The Complainants submitted that they have

established that the Registrant has no business interest in its WALTONS trade mark, and that since no permission was obtained from the Complainants to use it in the offending domain name, the onus rests with the Registrant to show that he does in fact have a legitimate interest in the offending domain name.

b. Registrant

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

4) Discussion and Findings

Regulation 5(c) shifts the burden of proof where a domain name is identical "without any addition" to the mark in which the Complainant/s assert its rights. Although the offending domain name incorporates the Complainants' trade mark, the entire offending domain name <waltonsjhb> is not identical to the Complainants' WALTONS trade mark.

The Complainants interpretation of Regulation 5(c) is therefore not relevant, nor are the decisions cited by the Complainants in support of its submission that the burden of proof should shift to the Registrant on this basis.

The Complainants further submit that the circumstances of this case together with the fame of their mark gives rise to a presumption that the registration is abusive because it is impossible to infer that it was chosen for any reason other than to impersonate the Second Complainant.

The cited decisions all concern domain names that are identical to the Complainant's trade mark without any additions to it, whereas in this dispute the domain name is not identical to the Complainant's trade mark.

a. Complainant's Rights

- i. Given the Complainants' long term and nationwide use of the trade mark WALTONS on store frontage, vehicle branding, on stationery products, on their website and other promotional material, in their

advertisements and in their <waltons.co.za> domain name, the WALTONS trade mark is accepted as being well known, and that the Complainants have established a reputation and common law rights in this mark. The Adjudicator finds that the Complainants have rights as contemplated by Regulation 3(1)(a) read with Regulation 3(2).

b. Abusive Registration

- i. The dominant element of the <waltonsjhb.co.za> domain name is the word “waltons”, which is identical to the Complainants’ registered and well known WALTONS trade mark. The letters “jhb” are accepted to be a common abbreviation for and a reference to the city of Johannesburg. As an accepted abbreviation of a geographic term, these letters do not serve to distinguish the offending domain name from the Complainants’ trade mark.
- ii. The offending domain name is therefore so similar to the Complainants’ trade mark that confusion is likely to arise as to whether the offending domain name is linked to the Complainants and its product and service offering. Further, it seems clear from the Regus enquiry that at least one concern has been raised about the incorporation of the WALTONS trade mark in the domain name waltonsjhb.co.za, although it does not appear that Regus was confused by this.
- iii. The Registrant’s use of the name WALTONS STATIONERY as its company name and its use of the email address hr@waltonsjhb.co.za on its email enquiry to Regus, seems to indicate that there was a clear intention on the Registrant’s part to pass itself off as being the Complainants or as being connected to them. The Registrant, although afforded the opportunity to justify its choice of domain name, did not do so, which seems to indicate, on the facts, that there was no good reason for the choice.

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- iv. Given the fame of the Complainants' mark, and the facts surrounding the dispute, as well as the Registrant's failure to provide any justification to the adjudication authority, it is impossible not to infer that the Registrant registered the offending domain name in order to impersonate the Complainants.
 - v. The Adjudicator finds on the undisputed facts that the offending domain name was registered in a manner which, at the time when the registration took place, took unfair advantage of or was unfairly detrimental to the Complainant's rights.

5) Decision

- a. For all of the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, "waltonsjhb.co.za" be transferred to the first Complainant Bid Industrial Holdings (PTY) LTD.

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VANESSA LAWRENCE
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za

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DEBBIE MARRIOTT
SAIIPL TRAINEE ADJUDICATOR
www.DomainDisputes.co.za