

## Decision

**ZA2016-0237**

**.ZA ALTERNATE DISPUTE RESOLUTION  
REGULATIONS (GG29405)**

### ADJUDICATOR DECISION

CASE NUMBER:	<b>ZA2016-0237</b>
DECISION DATE:	<b>20 July 2016</b>
DOMAIN NAME	<b>grabit.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Paul Janisch</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Gerhard Botha, Attorneys at Law</b>
THE COMPLAINANT:	<b>Gorbit Holdings (pty) LTD</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Witz, Calicchio, Isakow &amp; Shapiro Attorneys inc.</b>
2 <sup>nd</sup> LEVEL ADMINISTRATOR:	<b>ZA Central Registry (CO.ZA )</b>

## 1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIPL”) on **29 April 2016**. On **29 April 2016** the SAIPL transmitted by email to ZA Central Registry (ZACR) a request for the registry to suspend the domain name(s) at issue, and on **3 May 2016**, **ZACR** 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 **3 May 2016**. In accordance with the Regulations the due date for the Registrant’s Response was **31 May 2016**. The Registrant submitted its Response on **31 May 2016** and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL’s Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on **31 May 2016**.
- c) In accordance with the Regulations the due date for the Complainant’s Reply was **8 June 2016**. The Complainant submitted its Reply on **8 June 2016**.
- d) The SAIPL appointed **DEON BOUWER** as the Adjudicator in this matter on **14 June 2016**. 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.

## 2 Factual Background

### 2.1 The Registrant:

The Complainant cited the previous registrant, Synchrony (Pty) Ltd (“Synchrony”), as the “First Registrant”, and the current registrant, Paul Janisch (“Registrant”), as the “Second Registrant”, on the basis that the parties enjoys a “*relationship*” resulting from the fact that “*During or about*

*February/March 2016, the First respondent purported to sell the domain name in question to the Second Registrant*". I do not intend to pronounce in this Complaint on the validity of the agreement in terms of which the Domain Name was transferred to the Registrant, as this does not fall within the powers conferred on an adjudicator in terms of the Regulations. I will, accordingly, proceed on the basis that the Complaint is lodged against the Registrant, being the person recorded as such against the Domain Registration.

- 2.2 The domain name grabit.co.za ("Domain name") is used by the Complainant in relation to its principal business, being an online retail store and it has been doing so, at least, since the date of its incorporation on 13 August 2014.
- 2.3 As sated above, the Registrant acquired the Domain Name from Synchrony sometime during February/March 2016. Synchrony, whose sole shareholder at all relevant time, was Dr Howard Rybko ("Dr Rybko") registered the Domain Name on 26 June 2013.

### **3 Parties' Contentions**

#### **3.1 Complainant**

- a) The Complainant's case can be summarised as follows.
- b) The Complainant's predecessors in title coined and adopted the GRABIT name and commenced business rendering an online retail services under the name and style GRABIT.CO.ZA during June 2013.
- c) The Complainant has, since its incorporation on 13 August 2014, used the GRABIT.CO.ZA trade mark and, also, the Domain Name.
- d) The Complainant has used its trade mark GRABIT.CO.ZA, extensively, since incorporation to date. In 2015, the annual turnover

of the Complainant was in excess of R3,000,000.00 (three million rand). The Complainant currently receives, on average, 30 (thirty) orders per day via the [www.grabit.co.za](http://www.grabit.co.za) website and the total number of registered users on the website exceeds 150,000 (one hundred and fifty thousand). The Complainant spends on average R20,000.00 (twenty thousand rand) per month on advertising its [www.grabit.co.za](http://www.grabit.co.za) website and the GRABIT.CO.ZA business.

- e) As a result of the extensive use of GRABIT.CO.ZA trade mark, the Complainant submits that it has acquired a goodwill and reputation in the name, particularly in relation to on-line retail services.
- f) The Complainant submits further that the Domain Name is an abusive registration and objects to the registration of the Domain Name in the name of the Registrant on the following basis:
  - i. Dr Rybko was mandated, during or about June 2013, to register the domain name for and on behalf of the Complainant, and in the name of the Complainant.
  - ii. However, Dr Rybko had, unbeknown to the Complainant and its predecessors in title, registered the Domain Name in the name of Synchrony.
  - iii. The relationship between Dr Rybko, a founder and shareholder of the Complainant, and the Complainant soured. This led to Dr Rybko and the Complainant concluding an agreement in January 2015 in terms of which Dr Rybko would relinquish his shares in the Complainant.
  - iv. It was also a condition of the agreement between the Parties that Dr Rybko would cause the Domain Name to be transferred to the Complainant.
  - v. When the agreement became contentious, Dr Rybko, subsequent to receiving payment from the Complainant, threatened to disrupt, unfairly, the business of the

Complainant, prevent the Complainant from exercising its rights by terminating the Complainant's use of the Domain Name, forcing the Complainant to lease the Domain Name from him and/or by selling the Domain Name.

- vi. In March 2016, Synchrony purported to sell the domain name to the Registrant.
- g) The Complainant submits that it stands to suffer immeasurable and irreparable loss should it be refused its rights to register and use the Domain Name that has always rightfully belonged to it. Indeed, the Complainant will lose its entire and exclusive business operation if the transfer of the Domain Name is refused.
- h) The Complainant, accordingly, requests a transfer of the Domain Name to the Complainant.

### 3.2 Registrant

- a) The Registrant's response can be summarised as follows.
- b) The Registrant submits that it acquired the Domain Name from Synchrony, who had, in 2013, *"developed a full functional e-commerce online store software system for the conducting of an online store"* and was instructed by Dr Rybko to register an online store the *"under the domain name grabit.co.za"*.
- c) Dr Rybko, the sole shareholder of Synchrony, was approached by Glen Fine ("Fine") and Alton Alter ("Alter") to develop an online store *"and the registration of a corporate entity wherein all the parties would be shareholders to exploit this online store"*.
- d) Synchrony registered the Domain Name prior to the parties i.e. Dr Rybko, Fine and Alter having entered into a shareholders agreement.
- e) Synchrony formed a partnership with Dr Rybko, Fine and Alter and,

subsequently, the Complainant, which allowed the Domain Name to be used by the partnership.

- f) The Domain Name remained the property of Synchrony, which the Registrant submits, the Complainant did not object to, at least not on 9 December 2014.
- g) The Registrant further submits that the GRABIT.CO. ZA online store was that of Synchrony i.e. the property of Synchrony and denies that any causal link ever existed between the Complainant and Synchrony. As such, it argues that the Complainant has no *locus standi* to bring the Complaint.
- h) Due to alleged contraventions by the Complainant of the Value-Added Tax Act 89 of 1991, Synchrony elected to withdraw from the partnership during January 2015. This led to a *“handover agreement being concluded”*, which, amongst others, provided for payment of certain moneys to Dr Rybko, Dr Rybko relinquishing his shareholding in the Complainant and, also, Dr Rybko assigning the Domain Name to the Complainant. However, the Registrant argues that *“the Complainant knew as far back as December 2015 that I (Dr Rybko) could not assign the domain name to it but rather the First Registrant Synchrony who was still owed a substantial amount of money”* (the reference to December 2014 should read December 2014).
- i) The Registrant further denies that the Complainant has established common law rights in the Domain Name.
- j) The Registrant further denies that the Complainant has *“ever owned the grabit.co.za site, as this site was a result of the agreement between Fine; Alter and me”*.
- k) The Registrant, accordingly, requests that the Adjudicator rejects the Complaint.

## 4 Discussion and Findings

a) Regulation 3(1)(a) requires that a Complainant proves on a balance of probabilities each of the following elements in order for the Disputed Domain Name to be transferred on the basis that it constitutes an abusive registration, namely that:

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

### 4.1 Complainant's Rights

4.1.1 Regulation 1 defines “rights” to include intellectual property rights, commercial, cultural, religious and personal rights protected under South African law, but are not limited thereto.

4.1.2 The above definition is broad and “rights” is not restricted to rights founded on the principles of trade mark law, but recognises rights going beyond those in terms of the Trade Marks Act No. 194 of 1993 (“the Trade Marks Act”) or the requirements at common law for passing off. Such rights must, however, find recognition in law. See ZA2007-0008 (privatesale.co.za).

4.1.3 The Adjudicator considers himself bound by the decision of the appeal panel in Xnets.co.za ZA20110077, panel stated as follows:

*“5(c) It is not necessary for present purposes to quantify, or qualify, where the line is to be drawn as to when ‘rights’ can be said to exist on the part of a Complainant or when they do not. As was stated by the majority panel in [www.seido.co.za](http://www.seido.co.za) ZA20090030 (Appeal decision AD) at paragraph 5.7:*

*'The extent or strength of the "right", as defined in the Regulations, require to be shown by a Complainant to have locus standi conferred on it on a balance of probabilities under Regulation 3(1)(a) is not clear but we have been guided by earlier decisions on this point. (See WIPO Decisions Surfcult.com [2002 – 0381] and Dinkybomb.com [D 2004 – 320] and SAIPL Decisions Suncityvacations.co.za [ZA20080023] and Bikeandleisuretrader.co.za [ZA20080018].) Our view is that the threshold in this regard should be fairly low and we find that the Complainant has, through the License Agreement, established sufficient right to cross this hurdle.' [Emphasis added]*

(d) *As has been recorded by Nominet Advisory the main point of the test is to make sure that the person who complains is someone with a proper interest in the complaint. The notion of "rights" for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence. By definition, rights include "intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African Law, but is not limited thereto". An indication of the quality (or quantification) of rights is indicated by the WIPO Decisions to the effect that the location of a registered trade mark is irrelevant when finding "rights" in a mark for the purposes of a complaint.*

(e) *For example, the following was stated in [Thaigen.net] UDRP Case No. D20020358:*

*'These rights acquired in the United States are relevant for this administrative proceeding, although the Complainant is from the Cayman Islands and the Respondent from Thailand. As indicated by the panel in Bennet Coleman & Co. Ltd v Steven Lallwani WIPO Case No. D20000014 and Bennet Coleman & Co. Ltd v Long Distance Telephone Company, WIPO Case No. D20000015, 'the essence of the*



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*internet is its worldwide access'. The propriety of the domain name registration may be questioned by comparing it to a trade mark registered in any country.'"*

4.1.4 Although the Complainant has not submitted substantial evidence in support of its claim that it has made extensive use of the GRABIT.CO.ZA trade mark, the evidence does show that the Complainant's use of the GRABIT.CO.ZA trade mark is not inconsiderable. Furthermore, and although the Registrant denies that the Complainant has established rights to the GRABIT.CO.ZA under the common law, it does not, seriously, dispute the Complainant's evidence that it has used the GRABIT.CO.ZA, extensively, at least since incorporation.

4.1.5 The Adjudicator therefore finds that the Complainant has *locus standi* to lodge the Complaint as it has established rights in respect of the GRABIT.CO.ZA trade mark, which is identical to the Domain Name.

## 4.2 Abusive Registration

4.2.1 "Abusive Registration" is defined in the Regulations to mean a domain name which either –

*"(a) was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the complainant's rights; or*

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

4.2.2 Regulation 4 lists a non-exhaustive list of factors which may be evidence that the Domain Name is an abusive registration. They may include:

*"(a) Circumstances indicating that the Registrant has registered or otherwise acquired the domain name primarily to:*

- (i) sell rent or otherwise transfer the domain name to a Complainant or to a competitor of the Complainant, or any third party, for valuable consideration in excess of the Registrant's reasonable out of pocket expenses directly associated with acquiring or using the domain name;*
- (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.”*

4.2.3 Regulation 5 lists a non-exhaustive list of factors which may be evidence that the domain name is not an abusive registration. They may include-

*“(a) before being aware of the complainant's cause for complaint, the Registrant has”*

- (i) used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services;*
- (ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name; or*
- (iii) made legitimate non-commercial or fair use of the domain name.*
- (iv) the domain name is used generically or in a descriptive manner and the registrant is making fair use of it;*

*(b) the domain name is used generically or in a descriptive manner and the registrant is making fair use of it.*

*(c) that the registrant has demonstrated fair use, which use may include web sites operated solely in tribute to or fair criticism of a person or business: Provided 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 rights, without any addition; and*

*(d) in order to succeed in terms of regulation 4(3), the registrant must rebut the presumption by proving that the registration of the domain name is not an abusive registration.”*

- 4.2.4 The above factors are not exhaustive.
- 4.2.5 The evidence confirms that Dr Rybko did not coin the Domain Name and, further, that he was instructed to register the Domain Name, clearly with a view to such name being owned and used, in his own words, *“by the corporate entity wherein all the parties would be shareholders to exploit the online store”*.
- 4.2.6 There is further no evidence that Synchrony had any legitimate interest in the Domain Name which entitled it to register or continue using the name. There is simply no compelling *bona fide* reason for the adoption of a domain name incorporating the unique word GRABIT. In fact, Dr Rybko statements, under oath, including that *“this site was a result of the agreement between Fine; Alter and me”* and the e-mails submitted by the Complainant marked annexure “M”, leave no doubt that Synchrony had no legitimate interest to the Domain Name and, also, that it was the parties’ attention that the Domain Name would, in due course, be owned by the Complainant.
- 4.2.7 The above, at the very least, suggests that the Domain Name, when registered, constituted an abusive registration in the hands of Synchrony.

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- 4.2.8 It is further well accepted that a registration can be abusive “now” although not “then” and this accords with basic principles - see [www.nominet.org.uk/disputes/drs/abuse](http://www.nominet.org.uk/disputes/drs/abuse). So, even if the initial registration may not have been abusive, which I do not regard necessary to make a finding on, the Domain Name registration can become an abusive registration as a result of the Registrant’s subsequent actions.
- 4.2.9 The evidence further shows that at the time when the Registrant acquired the Domain Name from Synchrony, the Complainant had already established rights in the GRABIT.CO.ZA mark.
- 4.2.10 There is no evidence to the effect that the Registrant was not aware of the Complainant and its use of the GRABIT.CO.ZA trade mark at the time it acquired the Domain Name from Synchrony.
- 4.2.11 It is also evident from the evidence that, at the time of acquiring the Domain Name, the Registrant not only had the clear intention of preventing the Complainant from continuing exercising its rights in the GRABIT.CO.ZA domain name i.e. preventing the Complainant from continuing to use the GRABIT.CO.ZA trade mark and the Domain Name, but also, to use the Domain Name in competition with the Complainant.
- 4.2.12 It is stated above that in terms of the provisions of Regulation 5(c) the burden of proof shifts to the Registrant to show that the Domain Name is not an abusive registration if the domain name is identical to the mark in which the Complainant asserts rights, without any addition. The Registrant failed to show that the Domain Name is not abusive and therefore did not discharge the above onus. This is fatal to the Registrant’s case, especially, where the Registrant’s own evidence shows that he intends preventing the Complainant from continuing to use the GRABIT.CO.ZA trade mark and/or using the Domain Name in competition with the Complainant.

4.2.13 I also take into account that any use of the Domain Name by the Registrant in competition with the Complainant, will, in my view, inevitably lead the public into believing that the Registrant is associated with the Complainant and, also, take unfair advantage of the Complainant's rights.

4.2.14 The Adjudicator accordingly concludes that the Domain Name in the hands of the Registrant an abusive registration.

## 5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the Domain Name, GRABIT.CO.ZA, be transferred to the Complainant.

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**Deon Bouwer**  
SAIIPL SENIOR ADJUDICATOR  
[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)