

## Decision

**[ZA2016-0255]**

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

### ADJUDICATOR DECISION

CASE NUMBER:	<b>ZA2016-0255</b>
DECISION DATE:	<b>8 February 2017</b>
DOMAIN NAME	<b>nationallotery.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Emoore c/o Sunseven Gaming</b>
REGISTRANT'S LEGAL COUNSEL:	<b>none</b>
THE COMPLAINANT:	<b>National Lotteries Commission</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Ngeno &amp; Mteto 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 “SAIIPL”) on **5 December 2016**. After the correction of various deficiencies in the Complaint, and on **6 December 2016**, the SAIIPL transmitted by email to the ZA Central Registry (ZACR) a request for the registry to suspend the domain name at issue, and on **6 December 2016**, ZACR confirmed that the domain name had indeed been suspended. In response to a notification by the SAIIPL that the Dispute was administratively deficient, the Complainant filed an amendment to the dispute on **6 December 2016**. The SAIIPL verified that the Dispute together with the amendment to the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”), and the SAIIPL’s Supplementary Procedure.
- b) In accordance with the Regulations, the SAIIPL formally notified the Registrant of the commencement of the Dispute on **7 December 2016**. In accordance with the Regulations the due date for the Registrant’s Response was **10 January 2017**. The Registrant submitted a deficient response, and accordingly, the SAIIPL notified the Registrant of its default on **9 January 2017**.
- c) The SAIIPL appointed **Vanessa Lawrance, Tana Pistorius** and **Deon Bouwer** as the Adjudicators in this matter on **19 January 2017**. The Adjudicators have submitted Statements of Acceptance and Declarations of Impartiality and Independence, as required by the SAIIPL to ensure compliance with the Regulations and Supplementary Procedure.

## 2 Factual Background

- 2.1 The Registrant registered the domain name [nationallottery.co.za](http://nationallottery.co.za) (“Disputed Domain Name”) on 15 September 2010.
- 2.2 The Complainant was established in terms of the Lotteries Act No. 57 of 1997 (as amended) (“Act”), to regulate and operate the National Lottery and,

also, other lotteries within South Africa.

- 2.3 In terms of Section 41 of the Act, any entity that wishes to run or conduct a lottery in South Africa must be registered with the Complainant. The Registrant is not so registered.
- 2.4 Section 56 of the Act provides that no person may conduct a lottery, unless authorised in terms of the Act.
- 2.5 The Complainant addressed correspondence to the Registrant on 13 June 2016, demanding deregistration of the Disputed Domain Name. In its response, the Registrant refused to comply with the demands.

### **3 Parties' Contentions**

#### **3.1 Complainant**

- a) The Complainant submits that the Disputed Domain Name is confusingly similar to the name "National Lottery" and also the Complainant's website, [www.nationallottery.co.za](http://www.nationallottery.co.za).
- b) The Complainant is of the view that the Registrant registered the Disputed Domain Name, which is virtually identical to the Complainant's domain name, to take unfair advantage of the Complainant's rights and the confusion which will arise in the minds of the public as a result of the Registrant's use of the Disputed Domain Name.
- c) The Complainant submits that the Disputed Domain Name is in contravention of the laws of South Africa, as the Registrant is not registered with the Complainant and not authorised to use the name.
- d) The Complainant therefore submits that the Disputed Domain Name is an abusive registration and, also, an offensive registration and calls for the transfer of the Disputed Domain Name to the Complainant.

#### **3.2 Registrant**

- a) The Registrant submitted a response that does not comply with the requirements of these proceedings. As such, the panel is not obliged to take cognisance thereof. Notwithstanding this, the panel sets out some of the salient points relied upon by the Registrant in the response.
- b) The Registrant claims that the Complainant's jurisdiction is limited to South Africa and, accordingly, it has no jurisdiction over the Registrant.
- c) The Registrant argues that the fact that the word "lotery" is spelled with a single "t", as opposed to "lottery", such as used by the Complainant, results in it not infringing on anyone's intellectual property rights.
- d) The Registrant further argues that no one can claim rights to the name "National Lottery" or "National Lotery", which is a term used by different organisations worldwide.
- e) Confusion among members of the public is unlikely, as the Registrant trades in Euros, whilst the Complainant trades in South African Rands, and, also, as the games offered by the Registrant are different to those offered by the Complainant. In addition, there is no indication on the website that the Registrant is in any way linked with the Complainant.

#### 4 Discussion and Findings

- a) "Abusive registration" is defined in the Regulations as 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 that takes unfair advantage of, or is unfairly detrimental to the complainant's rights;"*
- b) "Offensive registration" is defined in the Regulations as a domain name *"in which the complainant cannot necessarily establish rights but the registration of which is contrary to law, contra bonos mores or is likely to*

*give offence to any class of persons”.*

- c) Regulation 3(1)(a) requires that a Complainant proves 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.
  
- d) In terms of Regulation 3(1)(b) a registrant must submit to proceedings under the rules if a complainant asserts, in accordance with the procedure, that the domain name, in the hands of the registrant, is an offensive registration.

#### 4.1 Complainant's Rights

##### 4.1.1 Abusive Registration

- a) 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.
- b) 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).
- c) The Complainant has been granted the statutory right in terms of the Act, in South Africa, to use and, also, regulate the use of the name the “National Lottery”.
- d) The definition of “rights” is sufficiently wide to include the exclusive rights granted to the Complainant in terms of the Act. The panel therefore holds that the Complainant holds

- rights to the name “National Lottery”.
- e) The Disputed Domain Name, differs only in one letter from the name in which the Complainant has rights i.e. “National Lottery” and is, for all intents and purposes, identical to this name.
  - f) The Registrant admits that it offers lottery services or games on the website [www.nationallottery.co.za](http://www.nationallottery.co.za).
  - g) The offering of lottery services, using a name which is identical to the name in which the Complainant holds exclusive rights, is bound to lead to confusion and takes unfair advantage of or is unfairly detrimental to the Complainant’s rights.

## 4.2 Offensive Registration

### 4.2.1 Offensive Registration

- a) The Registrant is not authorised to run a lottery service in South Africa under the name “National Lotery”, or otherwise.
- b) Furthermore, the Registrant holds no right to use the name “National Lotery” in South Africa, as the exclusive rights to use the name “National Lottery” and operate this lottery in South Africa, vest in the Complainant.
- c) The lottery services which the Registrant renders on the website [www.nationallottery.co.za](http://www.nationallottery.co.za) and so also the Registrant’s use of the Disputed Domain Name contravene the provisions of the Act, including the provisions of sections 56 and 57.
- d) It therefore appears that the registration of the Disputed Domain Name is, indeed, contrary to law and may constitute an Offensive Registration in the hands of the Registrant.

### 4.2.2 Discussion and findings of Professor Tana Pistorius (dissenting)

- a) The dissenting Adjudicator has read the comments of her co-panellists, Ms Vanessa Lawrance and Mr Deon Boucher.
- b) As required by Regulation 29(5) read with Regulation 32(1) the dissentient view is set out below.

- c) The dissentient view is limited to paragraph 4.2 “Offensive registration” and specifically the Panel’s views that as the Registrant uses the Disputed Domain Name in contravention of the provisions of the Lotteries Act “the registration of the Disputed Domain Name is therefore *contrary to law* and may constitute an Offensive Registration in the hands of the Registrant” (my emphasis).
- d) Regulation 1 defines an offensive registration as a domain name in which the complainant cannot necessarily establish rights but of which the registration is contrary to law, *contra bonos mores* or likely to give offence to any class of persons.
- e) Regulation 4(2) provides that an offensive registration may be indicated if the domain name advocates hatred that is based on race, ethnicity, gender or religion and/or that constitutes incitement to cause harm.
- f) Eddie Hurter notes that the inclusion of the novel concept of “offensive registration” ushers in a new era of domain-name dispute resolution that goes beyond the protection of commercial interests and also protects “...*other important and protection-worthy rights, interests and values*” (*Aspects of the Nature and Online Resolution of Domain-Name Disputes* (LLD thesis Unisa 2011) (page 314)). Hurter also notes as follows: “*The inherent nature of the Internet coupled with the schizophrenic characteristics associated with domain names implicates a legion of relevant legitimate and potentially competing interests such as constitutionally protected rights, political and cultural interests, social and religious values to name only the most obvious potentially conflicting legitimate interests. The inclusion of a concept like an ‘offensive registration’ is hopefully a manifestation of the realisation that we are dealing not only with the traditional legal issues and classifications in a domain-name context such as the apportionment of commercial rights and interests, but with larger issues that relate to both new and previously neglected*

*interests and considerations*” (on page 315).

- g) The factors listed in Regulation 4(1) are applied above to determine if the Disputed Domain Name is an abusive domain name. Similarly, the factors listed in Regulation 4(2) must be applied to determine if the Disputed Domain Name is an offensive registration.
- h) ZADNA advises that a domain name registration is offensive if the name is “*proven to be promoting hatred based on race, ethnicity, gender or religion, and/or is proven to constitute incitement to cause harm*” (see <http://www.zadna.org.za/faq/entry/what-is-an-offensive-registration>).
- i) Regulation 4(2) mirrors the constitutional limitations on the right to freedom of expression (specifically hate speech and the incitement of violence) (also note the other rights which Hurter refers to (quoted *supra*). It follows that the phrase “contrary to law” in the definition of an offensive registration should be interpreted purposively (*inter alia* with reference to Regulation 4(2)) and should not be read to literally mean “any law” (in this case the Lotteries Act). A domain name is not an offensive registration if it was registered contrary to gambling legislation, or for that matter, intellectual property legislation (see ZA2012-0117 ( sarstax.co.za at page 11).
- j) ZADNA notes that “men-are-dogs.co.za” is an example of an offensive registration as it incites hatred against a certain gender (see <http://www.zadna.org.za/faq/entry/what-is-an-offensive-registration>). Furthermore, where a Disputed Domain Name is held to constitute an offensive registration it must be deleted and its future registration must be prohibited (see Regulation 9(b)). This can hardly be said to be applicable to the Disputed Domain Name.
- k) In view of the above, the dissenting Adjudicator holds that the registration of a domain name which is contrary to law, such as in the present circumstances, will not constitute an

offensive registration.

4.2.3 Finding

In view of the Disputed Domain Name having been found to constitute and Abusive Registration the Adjudicators do not find it necessary to make a finding on whether or not the Disputed Domain Name, also, constitutes an Offensive Registration.

5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9(a), the Panel orders that the Disputed Domain Name be transferred to the Complainant.

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