

**ADJUDICATOR DECISION**

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| CASE NUMBER:   | <b>ZA2017-0294</b>                                |
| DECISION DATE:                                       | <b>22 February 2018</b>                           |
| DOMAIN NAME  | <b>aldoshoes.co.za</b>                            |
| THE DOMAIN NAME REGISTRANT:                          | <b>Pro Fusion IT Solutions (Pty) Limited</b>      |
| REGISTRANT'S LEGAL COUNSEL:                          | <b>None</b>                                       |
| THE COMPLAINANT:                                     | <b>The House Of Busby</b>                         |
| COMPLAINANT'S LEGAL COUNSEL:                         | <b>None</b>                                       |
| THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR: | <b>ZA Central Registry (CO.ZA Administrators)</b> |

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## 1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **29 November 2017**. In response to a notification by the SAIPL that the Dispute was administratively deficient, the Complainant filed an amendment to the dispute on **4 December 2017**. The SAIPL 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 SAIPL's Supplementary Procedure. On **5 December 2017** the SAIPL transmitted by email to the ZA Central Registry (ZACR) a request for the registry to suspend the domain name at issue, and on **5 December 2017** ZACR confirmed that the domain name had indeed been suspended
- b. In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **19 December 2017**. In accordance with the Regulations the due date for the Registrant's Response was **19 January 2018**. A Response was submitted by a Mr Aldo Kriel (as the disputed domain name owner) on **13 January 2018**, 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 **15 January 2018**.
- c. In accordance with the Regulations the due date for the Complainant's Reply was **22 January 2018**. The Complainant did not submit any Reply, and the SAIPL formally notified the Complainant of its default on **23 January 2018**.
- d. In accordance with the amended Regulations, the SAIPL notified the Parties on **25 January 2018** that the Dispute was being referred to the ZA Domain Name Authority to proceed with an informal mediation process. On **2 February 2018**, the ZA Domain Name Authority notified the SAIPL that it had conducted the informal mediation between the Parties and that the Parties were unable to achieve an acceptable

resolution through mediation within the time-frame provided for in Regulation 19A. Accordingly, the Dispute was referred to adjudication.

- e. The SAIPL appointed **Mr Andre van der Merwe** as the Adjudicator in this matter on **8 February 2018**. 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

- a. The Complainant, as appears from an inspection by the Adjudicator of its website, is a chain of retail stores in South Africa known as ALDO, offering ALDO-branded fashion footwear and accessories. It appears that they specialise in, and are known for their, up-market shoes.
- b. The registrant in the whois database is the IT service provider which registered the disputed domain name for the owner, Mr Aldo Kriel (hereinafter referred to as "the Registrant" for convenience although not indicated as the registrant in the whois database). The Registrant is an individual who is a South African citizen by birth. He has not disclosed the nature of his business.
- c. In an email exchange between the three parties involved, the whois database Registrant has explained that, as a domain name service provider, it had registered the disputed domain name on behalf of a customer, the above-mentioned Mr Kriel, who is the owner of the disputed domain name registration. That Registrant had previously hosted the disputed domain name but it no longer attends to such hosting for Mr Kriel.
- d. The disputed domain name was registered on 3 March 2006 in the name of the whois database Registrant but in fact on behalf of, and for, the owner, Mr Kriel.

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- e. Mr Kriel had registered another domain name aldo.co.za on 17 January 2006 but this domain registration is not the subject of the present Dispute.
  - f. The Registrant has submitted a Response in this Dispute, as the owner of the disputed domain name. Accordingly, the opposition to this Complaint is dealt with in terms of the Registrant's ie Mr Kriel's Response.
  - g. The Complainant is, according to an exclusive licence agreement concluded with its foreign principal, Aldo Group International AG (of Switzerland), the exclusive licensee of the business, name and trademark ALDO in South Africa. A copy of that licence agreement was lodged in this Dispute, which indicates that the exclusive licence agreement was first entered into on 9 June 2005. The agreement was subsequently renewed, and is presently in force until 2020, unless otherwise terminated.
  - h. The Complainant presently operates 34 ALDO-named (or branded) stores across South Africa. From the above-mentioned agreement, the Adjudicator concludes that the Complainant has operated and traded under the name and trademark ALDO in South Africa since or about 2005.
  - i. The above-mentioned Aldo Group International has registered its ALDO name and trademark in South Africa under trademark registration numbers 2000/19493, 2000/19494 and 2000/19495 in classes 35, 18 and 25, respectively. These registrations date from 2000 (and hence pre-date the date of registration of the disputed domain name). It had also registered its ALDO name and trademark in South Africa under trademark registration numbers 2010/14347, 2010/14348, 2010/14349 and 2010/14350 in classes 3, 9, 14 and 26, respectively. These registrations date from 2010. The Adjudicator has determined from an inspection of the official Register at the Trade Marks Office that there is an additional trademark registration in the name of Aldo Group International AG dating from 2000 namely registration number 2000/19492 for ALDO & Triangle Device in class 18. All the aforementioned trademark registrations are presently in full force and effect.

- j. The Aldo Group International has registered and uses the **aldoshoes.com** domain name; and the Aldo Group, Inc (apparently an associated company) on 29 July 2014 has registered the **aldoshoessa.co.za** domain name which is used by the Complainant.

### 3) Parties' Contentions

#### a. Complainant

- i. The Complainant contends that it owns the exclusive rights to the name and trademark ALDO in South Africa – more particularly that, in terms of the abovementioned licence agreement, it owns the exclusive rights to use the name and trademark, and to trade as, ALDO in South Africa; and that the disputed domain name is identical or similar to the ALDO name or trademark.
- ii. The Complainant contends that the Aldo International Group has registered and uses the domain name aldoshoes.com.
- iii. The Complainant contends that the disputed domain name was registered in 2006 but to date has not been used to host any content.
- iv. The Complainant also contends that an offer was made to acquire the disputed domain name for a nominal payment (allegedly in line with the Registrant's out-of-pocket expenses) but this offer was declined for various reasons.
- v. The Complainant contends that the disputed domain name blocks intentionally the registration of a name or trademark in which the Complainant has rights.
- vi. The Complainant contends that the disputed domain name disrupts unfairly the ability of the Complainant to conduct e-Commerce.

- vii. The Complainant contends that the disputed domain name prevents the Complainant from exercising its rights.
- viii. The Complainant contends that the Registrant has not updated the registration details, and that the current whois details are incorrect, misleading and incomplete.
- ix. Overall the Complainant contends that the disputed domain name, in the hands of the Registrant, is an abusive registration, and requests that the disputed domain name be transferred to it.

**b. Registrant (-ie the owner Mr Kriel)**

- i. The Registrant contends at the outset that the Regulations which were promulgated on 22 November 2006 i.e. after the date of registration of the disputed domain name which was 3 March 2006 do not apply retrospectively, and hence cannot be enforced against the disputed domain name.
- ii. The Registrant contends that the Complainant does not have any interest or hold rights in the ALDO trademark, and hence that it does not have the required *locus standi* to bring this complaint. In this regard, the Registrant disputes the validity of the aforementioned exclusive licence agreement.
- iii. The Registrant contends that he has rights in respect of his birth name ALDO, and his nickname SHOES, which he has combined to make up or create the disputed domain name.
- iv. The Registrant contends that he has consistently used the disputed domain name in good faith and in a non-commercial manner (although he admits that since 2015 until the present time he has not used the disputed domain name).
- v. The Registrant contends that he did not acquire the disputed domain name to sell, rent or transfer it to a competitor of the Complainant, and he has never initiated communication with the

Complainant or third parties with the intention of selling the disputed domain name.

- vi. The Registrant contends that his use of the disputed domain name does not lead people or businesses to believe that the disputed domain name is registered to, operated or authorised by or connected to the Complainant.
- vii. The Registrant contends that he is not disrupting the ability of the Complainant in conducting e-Commerce since the Complainant is currently conducting e-Commerce on its domain aldoshoessa.co.za.
- viii. The Registrant contends that the whois details in respect of the disputed domain name are accurate.
- ix. The Registrant contends that he did not acquire the disputed domain name to prevent or block the Complainant in any manner.
- x. The Registrant contends that he was the first registrant of the disputed domain name i.e. that he can claim earlier rights to this domain name.
- xi. Overall therefore the Registrant contends that the disputed domain name is not an abusive registration, as defined in the Regulations, and that the Complaint should be dismissed.

#### **4) Discussion and Findings**

The Adjudicator has perused the record of this Dispute, and all the documents lodged in this Dispute by the parties, and has carefully noted the facts and contentions set out therein.

At the outset, the Adjudicator has to deal with the Registrant's contention that the Regulations do not apply retrospectively or retroactively to his disputed domain name because it was registered before the Regulations were promulgated on 22 November 2006. Having considered this contention, and its broad

implications, the Adjudicator refers to Regulation 2 (which is headed “**Application**”) which provides that these Regulations apply only to Internet domain names registered in the .co.za second level domain; and that these Regulations may include everything provided for in section 69(3) of the Act relating to domain name disputes in the .za domain name space. In other words, the Regulations apply to present domain name registrations (-without reference to their date of filing of registration) – emphasis by the Adjudicator.

Firstly, there is no express indication in the Regulations or in the Act that the Regulations apply to domain name registrations filed from, or after, a particular date. If that was the case, the Regulations would simply and clearly have stated that. Accordingly, one can presume that the Regulations apply to all domain name registrations - whether filed or registered before or after the date of promulgation, namely 22 November 2006.

Secondly, in logic, and taking into account that an earlier registration filed before the date of promulgation namely 22 November 2006, may be an abusive registration, and hence problematic to a third party, that party should therefore be able to lodge a valid complaint in terms of the Regulations.

To presume the opposite, is to deny complainants the right to file a valid complaint against, and to allow all earlier-filed abusive registrations to remain registered without any recourse by third parties in terms of the Regulations. That could clearly not have been the intention of the legislator, in this case the Minister, and would easily frustrate the intention and application of the Regulations.

The Adjudicator concludes that, on a balance of probabilities, this objection by the Registrant is not valid, and is thereby dismissed. Accordingly, the Adjudicator finds that the Regulations apply to the disputed domain name and the Complaint, and the Complaint is therefore considered in its entirety hereinafter.

In order to make a finding that the disputed domain name is an abusive registration, the Adjudicator is required to find that the Complainant has proved, on a balance of probabilities, in terms of Regulation 3(2), that the required elements of Regulation 3(1)(a) are present *viz*:

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

An abusive registration is defined in the definition section *viz* in Regulation 1, 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.

#### **RIGHTS IN RESPECT OF A NAME OR MARK**

In terms of Regulation 1, the term "rights" is widely defined. The Regulation states that "rights" and "registered rights" include intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law but is not limited thereto.

As has been decided in the South African appeal decisions of *seido.co.za* (ZA2009-0030) and *xnets.co.za* (ZA2011-0077), the notion of "rights" for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence. The threshold in this regard should be fairly low.

It is also a matter of *locus standi* in order to make sure that the person who complains is someone with a proper interest in the complaint. The threshold in this regard should also be fairly low.

The Adjudicator will first deal with the question of rights that may apply herein, and thereafter with the question of whether the Complainant has rights. The Complainant has shown that its foreign principal has registered the name and trade mark **ALDO** as a trade mark in South Africa, from as early as 2000, and in 2010. These trade mark registrations are shown to be in force and are considered by the Adjudicator to be *prima facie* valid. In addition, the earlier trademark registrations pre-date the date of registration of the disputed domain name.

Considering these South African registrations, the rights flowing from these registrations could be enforced against an infringer who, without authority, was to use the name and trade mark **ALDO**, or a confusingly similar trade mark, in the course of trade in South Africa.

In support of the abovementioned, the Adjudicator refers to the textbook: *South African Law of Trade Marks* by Webster and Page, Fourth Edition, paragraph 12.5 *et seq*, and the foreign and South African decided cases cited therein.

These rights could also be used against a third party who was to attempt to register such a trade mark, in order to oppose such a trade mark application.

In support of the abovementioned, the Adjudicator refers to the textbook by Webster and Page, cited above, paragraph 8.30 *et seq*, and the foreign and South African decided cases cited therein.

There could also be common law rights resulting from the use and promotion of the name and trademark ALDO in South Africa over the years of such use namely a reputation, and hence goodwill, in respect of the name and trademark ALDO that has been established. The Complainant has not made out a case for such but the Adjudicator can infer that such a reputation would generally exist.

Considering the above, the Adjudicator therefore finds that the Complainant has proved, on a balance of probabilities, that its foreign principal has registered rights *viz* registered trademark rights (and possibly a reputation) in respect of its name and trademark **ALDO**. These rights clearly pre-date the date of registration of the disputed domain name, as indicated above.

### **DOES THE COMPLAINANT HAVE RIGHTS?**

The first element that the Adjudicator needs to establish is whether, as set out above, and in terms of Regulation 3(1)(a), on a balance of probabilities, the Complainant has rights in respect of the name and trademark **ALDO**. This will also determine whether the Complainant has the necessary *locus standi* to bring this Complaint. The Complainant contends that it has rights in and to the name and mark **ALDO**, and the Registrant has denied this.

As indicated above, the Complainant has shown that, based on the abovementioned written exclusive licence agreement which is presently in force,

it is the exclusive licensee and user in South Africa of its foreign principal, who has the rights of ownership to the name and trademark **ALDO** in various countries, including South Africa. The Registrant has disputed the validity of the licence agreement, although he does not indicate what the grounds for the alleged invalidity would be nor does he provide any evidence for this. Accordingly, the Adjudicator must dismiss the Registrant's allegation in this regard.

In the above-mentioned licence agreement, the Complainant has in clause 3.1 been granted "*the exclusive right and licence ..... in the Territory (South Africa), to ....., using the ALDO system as well as the Trademarks in connection therewith.*"

In addition to the above, Regulation 16 provides that: "Subject to a provider's supplementary procedure, **any person** may initiate a dispute by submitting the dispute ....." (emphasis by the Adjudicator).

The Adjudicator can confirm that SAIPL's Supplementary Procedure does not qualify nor explain 'any person' which is accordingly very broad in its meaning. In the same vein, Regulation 3 does not qualify who a Complainant must be. It must merely be a person or company that has the relevant rights of whatever nature.

In support of the above, see the South African domain name decisions ZA2007/0003 telkommedia.co.za; ZA2011-0096 carmensteffens.co.za; ZA2011-0077 Xnets.co.za; and ZA2009-0030 www.seido.co.za; and the foreign WIPO decision D2006/0086 technomarines.net and the decisions referred to therein.

Considering the above, the Adjudicator therefore finds that the Complainant has proved, on a balance of probabilities, that it has rights *viz* exclusive licence rights, being in the nature of contractual rights of use granted by the foreign owner of such rights in respect of the name and trade mark **ALDO** in South Africa. The Complainant has thereby also established that it has the necessary *locus standi* to bring this Dispute/Complaint.

### **NAME OR MARK IDENTICAL OR SIMILAR TO THE DISPUTED DOMAIN NAME?**

The second element that the Adjudicator needs to establish is whether, on a balance of probabilities, the Complainant has proved that the name or mark **ALDO**, in which it has established that it has rights as set out above, is identical

or similar to the disputed domain name. The Complainant contends that the name and trademark **ALDO** is identical or similar to the disputed domain name. The Registrant does not specifically deny this contention although he denies that the disputed domain name is abusive.

The name and mark (in which the Complainant has rights) is **ALDO**, while the disputed domain name is **aldoshoes.co.za**. Ignoring the first and second level suffixes, in terms of Regulation 5(c), the comparison becomes **ALDO** v **ALDOSHOES**. The Registrant has simply added the suffix/word **SHOES** to the name and trademark **ALDO**.

The disputed domain name contains the name and trademark **ALDO** in its entirety. This is undeniably the distinctive, dominant and memorable element of the domain name, and this is the term or feature that is likely to be known to a substantial number of members of the public. In other words, the Registrant has merely added the simple, descriptive, and non-distinctive or generic word **SHOES** to the distinctive **ALDO** name/trademark. A reasonable person – such as the often-cited reasonable man – will therefore find it difficult to avoid the inevitable conclusion that the name and trademark **ALDO** is similar to the disputed domain name.

In support of the above, see the following foreign domain name decisions:- In NAF/FA141825 it was held that: *"It is also well-established under the policy that a domain name composed of a trade mark coupled with a generic term still is confusingly similar to the trade mark."*

In WIPO/D2002-0367 (experianautomotive.com) the Panel concluded that: *"The disputed domain name contains Complainant's EXPERIAN trade mark in its entirety. The addition of the generic term "automotive" does not distinguish Respondent's domain name from Complainant's mark."*

See the other foreign decisions namely WIPO/D2000-1598 in which nikeltravel.com and nikesportstravel.com were found to be similar to NIKE; DRS04601 in which nikestore.com was found to be similar to NIKE; and DRS01493 in which nokia-ringtones.com was found to be similar to NOKIA. In WIPO/D2006-1031 the disputed domain name mymastercard.com was found to be similar to the registered trade mark MASTERCARD. In other words, the

addition of the pronoun 'MY' was held not to be sufficient to avoid confusion. The panel also referred to the decision WIPO/D2000-1007 (Sony Corporation v Sin, Eonmok).

In NAF/FA1412001596504 (2015) the disputed domain name youwenttojared.com was found to be similar to the trade mark HE WENT TO JARED. In this case the pronoun 'YOU' was substituted for the pronoun 'HE'.

In DRS1061 (2015) the .nz Dispute Resolution Service found that the disputed domain names mycoke.co.nz and mycoke.net.nz were similar to the COKE registered trade mark. The Expert found that: *"Adding 'MY' is insufficient to differentiate the term from the Complainant's marks."*

The Adjudicator lastly refers to the following South African domain name decisions:–

- a) in ZA2007-0003 telkommedia.co.za was found to be similar to TELKOM;
- b) in ZA2007-0010 mwebsearch.co.za was found to be similar to MWEB;
- c) in ZA2008-0025 suncityshuttle.co.za was found to be similar to SUN CITY;
- d) in ZA2009-0034 absapremiership.co.za was found to be similar to ABSA;
- e) in ZA2010-0048 etravelmag.co.za was found to be similar to ETRAVEL; and
- f) in ZA2013-00149 autotraderauction.co.za was found to be similar to AUTOTRADER.

The Adjudicator wishes to point out that the test or criterion in the Regulation, the wording of which is set out above, is not "confusing similarity" but merely "similarity", which involves a lower standard of comparison.

Accordingly, the Adjudicator finds that the Complainant has proved, on a balance of probabilities, that the name and trade mark **ALDO** is similar to the disputed domain name.

### **IS THE DISPUTED DOMAIN NAME AN ABUSIVE REGISTRATION?**

The third element that the Adjudicator needs to establish is whether, on a balance of probabilities, the disputed domain name, in the hands of the Registrant, is an abusive registration. The Complainant asserts that the disputed domain name is an abusive registration, while the Registrant denies this.

The Adjudicator is required to determine whether the disputed domain name is an abusive registration as defined in the definition section of the Regulations, viz in Regulation 1, and as set out above.

According to the definition, and to various Nominet decisions, there are two potential abuses (or two types of abuse) viz:

- a) Registration with an abusive intent; and/or
- b) Use in an abusive manner.

What also needs to be considered is that intention is not an element or requirement for a registration to be abusive. It is rather the effect or consequence of a disputed domain name that is persuasive in considering whether or not a disputed domain name is abusive.

By way of introduction, the Adjudicator refers to the foreign domain decisions 02464 (Aldershot Car Spares v Gordon) and to DRS 00658 (Chivas Brothers Ltd v David William Plenderleith), which decisions, although not on all fours with the present case, have been cited with approval in certain South African domain name decisions, in which the Expert stated that: "*Where a Respondent registered a domain name*

- 1) *which is identical to a name in which the complainant has rights;*
- 2) *where that name is exclusively referable to the complainant;*
- 3) *Where there is no obvious justification for the Respondent having that name for the domain name; and*
- 4) *Where the Respondent has come forward with no (reasonable) explanation for having selected the domain name, it will ordinarily be reasonable for an expert to infer first that the Respondent registered the domain name for a purpose and secondly that such purpose was abusive."*

The Adjudicator also refers to the South African decision ZA2007-007 (FIFA v X Yin). Against the background of the aforementioned decisions, the Adjudicator concurs with the view that the nature of "abusive" in the Regulations does not necessarily require a positive intention to abuse the Complainant's rights, but that such abuse can be the result/effect or consequence of the registration and/or use of the disputed domain name.

Regulation 4 provides a list of (non-exhaustive) factors/circumstances, which may indicate that a disputed domain name is an abusive registration. More particularly, Regulation 4 lists factors or circumstances that indicate that the Registrant has registered the disputed domain name for various stated reasons that may indicate that the disputed domain name registration is an abusive registration. The Complainant has asserted the following factors or circumstances that will be discussed below *viz*:

**Regulation 4(1)(a)(ii) – Circumstances indicating that the Registrant has registered or acquired the (disputed) domain name primarily to block intentionally the registration of a name or mark in which the Complainant has rights.**

Although the Regulations (and definitions) are silent on what a “blocking registration” is or involves, it is clear both in general terms and from various Nominet decisions that a blocking registration appears to have two critical features. The first is that it must act against a name or mark in which the Complainant has rights. The second is intent or motivation and suggests some knowledge and hence a purpose in registering a domain name to prevent the Complainant from doing so. See the foreign decisions DRS00583 (club1830uncovered.co.uk) and DRS01378.

Although the Registrant denies this, the disputed domain name clearly prevents the Complainant from registering for itself the disputed domain name, or the name or trade mark in this form, in which it has rights, whether through the intent of the Registrant and/or as an unintended consequence or effect of the disputed domain name registration.

The Adjudicator is obliged to conclude that the registration of the disputed domain name has the simple consequence of barring, and hence blocking, the Complainant from registering and using this domain name for itself, as the legitimate user of rights in and to the name and trade mark **ALDO**. The Adjudicator is also obliged to conclude that it was the primary purpose of the Registrant to intentionally block the registration of a name or trade mark in which the Complainant has rights so that the Registrant could use the disputed domain name for himself, and for his own purposes (which will be discussed below).

In support of the above, see WIPO/D2000-0545 (bancolumbia.com); and the leading United Kingdom authority dealing with domain names and their “blocking” effect *viz* British Telecommunications plc v One in a Million Ltd [1999] FSR 1 (CA). In this case, the Court of Appeal held that the disputed domain name registrations were unlawful on the grounds of trade mark infringement and passing off, and interdicted One in a Million Ltd and those who controlled it from such conduct, and ordered them to transfer the disputed domain name registrations to the companies that in reality traded under those names.

In further support of the above, see also the foreign decision WIPO/D2000-0766 (Red Bull GmbH v Harold Gutch) which is cited in the South African decision ZA2008-0014 (Automobiles Citroen v Mark Garrod).

In other words, although the Complainant has registered and is using the domain name aldoshoesa.co.za, it cannot register and use the closely-related disputed domain name for itself.

Accordingly, the Adjudicator concludes that this circumstance applies in the present dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

**Regulation 4(1)(iv) – Circumstances indicating that the Registrant has registered or otherwise acquired the (disputed) domain name primarily to prevent the Complainant from exercising his, her or its rights.**

From the above paragraph it will be clear that, if the disputed domain name has a blocking effect on the Complainant and its business, it will likewise prevent the Complainant from exercising its rights.

More particularly, in this case, the Complainant is prevented by the disputed domain name from registering its own **ALDOSHOES.CO.ZA** domain name, which it should be entitled to do as the legitimate exclusive licensee of the rights in and to the **ALDO** name and trademark in South Africa – regardless of whether the Complainant has registered and uses the domain name aldoshoesa.co.za.

In this regard, the Complainant has contended that the Aldo International Group has registered and internationally uses the domain name aldoshoes.com – which it contends it should be able to register and use in South Africa in the co.za domain namely as the disputed domain name. The Adjudicator has no reason to

believe that this contention in respect of the domain name aldoshoes.com is incorrect, because it accords with general international business practice.

Accordingly, the Adjudicator concludes that this circumstance applies in the present Dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

**Regulation 4(1)(b) - Circumstances indicating that the Registrant is using, or has registered the (disputed) domain name in a way that leads people or businesses to believe that the (disputed) domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.**

Although the Registrant denies these circumstances, the Complainant has clearly established that it has rights in and to the name and trademark **ALDO** in respect of the business of dealing in various products and services, especially shoes; and that the name and trademark **ALDO** is similar to the disputed domain name. Hence there is a likelihood that a significant number of persons will be confused or deceived into thinking that the Registrant and his goods or services (if the disputed domain name was to be used for a business website) are somehow linked, or are associated with, the Complainant. Consequently, in such circumstances, and because the disputed domain name (aldoshoes.co.za), being a combination of the Complainant's business name **ALDO** and its shoes business, is highly suggestive of the Complainant and its business/products, there appears to be a real likelihood of trademark infringement and/or passing-off taking place in the marketplace in South Africa.

In view of potential trademark infringement and/or passing off taking place, it appears to the Adjudicator that the abovementioned relevant circumstances may be present.

The above Regulation requires either registration OR use. Various foreign decisions have found that actual use is not a hard and fast requirement. These decisions have found that sites "under construction" or "coming soon", for example, create a likelihood or confusion, or have found that, if the disputed domain name were used, it would create confusion. See for example the

decisions in the foreign cases WIPO/D2000-0545; NAF/FA91359, NAF/FA95464 and NAF/FA95498.

Actual confusion is also not necessary – and the potential or (reasonable) likelihood for confusion is sufficient. In support hereof, various foreign decisions have found that confusion may be inferred in situations where the disputed domain name contains the complainant's name/trade mark plus a generic term, as in the present case. See for example the foreign decisions in WIPO/D2000-0777, WIPO/D2000-0878, NAF/FA95033 and NAF/FA95402; as well as the above NIKE and NOKIA decisions. See also the South African decision ZA2007-0003 (Telkom SA Limited v. Cool Ideas 1290 CC) and subsequent cases citing that decision in this regard.

Accordingly, the Adjudicator concludes that these circumstances apply in the present Dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

**Regulation 4(1)(d) – Factors that may indicate that the disputed domain name is an abusive registration include false or incomplete contact details provided by the Registrant in the whois database.**

Although the Registrant denies this, the Complainant contends that the Registrant/Mr Kriel has not updated the registration details and the current whois details are incorrect, misleading and incomplete.

The present whois database indicates that Pro Fusion IT Solutions (Pty) Limited, namely the IT service provider, is the Registrant of the disputed domain name – instead of the owner, Mr Aldo Kriel. In addition, their postal address is given instead of the postal address of Mr Kriel, and their email address is given instead of the email address of Mr Kriel. The aforementioned information is clearly incorrect, and should have been updated (years ago) at the instance of Mr Kriel in order to reflect the correct details of the Registrant, namely to be that of the owner of the disputed domain name registration. These are the criteria, namely that direct contact must be possible from the whois contact details - and not the indirect contact that Mr Kriel postulates when he contends that the above IT service provider was able to contact him when this Dispute was initiated.

Accordingly, the Adjudicator concludes that this factor applies in the present Dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

#### **OTHER CONTENTIONS/CONSIDERATIONS HEREIN**

**First Contention** - The first contention discussed under this heading is one made by the Registrant, namely that he has rights in respect of his birth name **ALDO**, and his nickname **SHOES**, which he has combined to make up or create the disputed domain name. The Registrant has provided an explanation to the effect that his close family had given him this nickname **SHOES**, or, in Afrikaans, **SKOENE**; and a supporting affidavit by his father confirms that the Registrant's nickname is **SHOES**.

It appears from the above that the Registrant's home language may well have been Afrikaans, in which case the Registrant's combination should have been **ALDOSKOENE** instead of **ALDOSHOES**. This would have given more credence to the Registrant's explanation. In addition, there is the co-incidence that the disputed domain name resolves to an exact description of the Complainant's business including the name and trademark **ALDO** – which the Registrant is entitled as of right to register and use as a domain name.

It would appear from the above that the Registrant has acted in good faith in adopting the disputed domain name, although, as indicated above, an intention to copy or imitate is not an element in proving that a disputed domain name is abusive – and the criterium is the consequence or effect of the disputed domain name. However, such an intention serves to show whether or not a registrant has acted in good faith.

The Registrant has claimed to have earlier rights in and to the disputed domain name but he has overlooked the (abovementioned) earlier trademark registrations that date from 2000 in the name of the Complainant's foreign principal for the trademark **ALDO**. These trademark registrations provide rights that date from 2000 as compared to the disputed domain name that dates from 2006.

In passing, the Adjudicator makes mention that, in light of the other domain name registered by the Registrant, namely aldo.co.za, it would appear that the Registrant does not need the disputed domain name, and that he can just as easily, in fact more easily because of this Dispute that has been raised, continue with use of the domain name aldo.co.za for his purposes.

**Second Contention** – The second contention discussed under this heading is one raised by the Complainant namely that the Registrant has not used the disputed domain name. This is denied by the Registrant who explains that he made use of the domain name until 2015 (i.e. from 2006). However, he has submitted only one annexure from 2011 showing a family baby registry, which is not convincing evidence of on-going use over an extended period of eleven years from 2006 until 2017.

Non-use of a domain name has been held to be an indication of an abusive registration in many decisions both foreign and in South Africa.

In the Adjudicator's view, although the disputed domain name has to date apparently not been used on any large scale, it can be used by the Registrant (or another person), and if used in commerce, it has the potential of disrupting and potentially damaging the reputation and business of the Complainant, and eroding the distinctive character of its name and trademark **ALDO**. In the event that the disputed domain name is being held passively, this can be an indication of bad faith.

Regarding such non-use, in certain foreign decisions such as Telstra Corporation Limited v. Nuclear Marshmallows (WIPO/D2000-0003), it was established that registration together with "inaction" can support a finding of bad faith. This decision has been cited for that proposition and followed by subsequent panels. In further support of the above, it has been held that failure to make use of a domain name during a two-year period after registration, constitutes bad faith. See the foreign cases Hexagon v. Xspect Solutions Inc (D2005-0472), and Mondich & American Wine Biscuits Inc v. Brown (D2000-2000-0004).

On the other hand, in the event that the Registrant were to use the disputed domain name in the course of trade, such unauthorized use in South Africa will

amount to trademark infringement and/or passing off, as set out above - which also amounts to bad faith on the part of the Registrant. In other words, the Registrant appears to find himself caught on the horns of a dilemma, as it were, and hence potentially acting in bad faith in either situation.

In these circumstances and on the evidence submitted by the Registrant, the Adjudicator comes to the conclusion that there has been very little substantial use of the disputed domain name which leads to an inference of bad faith on the part of the Registrant.

**Third contention** – The third contention under this heading follows from the above (second) contention namely that the Registrant contends that his use of the disputed domain name has been legitimate non-commercial and fair use thereof. He contends that his use has been limited to a site for storing personal and family images and to share his contact details with family and friends. This is an indication that the disputed domain name has not been the subject of abusive use.

However, his planned future use of the disputed domain name will be to sell images and videos to the public (-and for the proceeds to be donated to the Phalaborwa SPCA). This has a commercial component or element, and can be viewed as potential abusive use.

**First consideration** - Further to the above contentions, the question arises whether the Registrant had acted in good faith or otherwise in registering the disputed domain name. In this regard, the Registrant had warranted, when applying to register the disputed domain names, in terms of the ZA Central Registry NPC terms and conditions (in clause 5.1) that:

- I. *"It has the right without restriction to use and register the Domain Name";*  
and
- II. *"The use or registration of the Domain Name [by the Registrant] does not or will not interfere with, nor infringe the right of any third party in any jurisdiction with respect to trade mark, service mark, trade name, company name, close corporation name, copyright, or any other intellectual property right."*

Clause 5.1.1 of the ZA Central Registry NPC terms and conditions state further (- to which the Registrant had agreed): *"Applicant (the Registrant) hereby irrevocably represents, warrants, and agrees that its [above] statements in the Application are accurate and complete."*

It appears to the Adjudicator that, more directly from the above statements or warranties by the Registrant, the disputed domain name appears to have been registered in bad faith.

**a. Complainant's Rights**

- i. From the above, it appears that the Registrant has shown that certain factors may be in its favour. However, the overwhelming factors in this Dispute favour the Complainant. Accordingly, the Adjudicator finds, on a balance of probabilities, that the Complainant has rights in respect of the name and trademark **ALDO** which is identical or similar to the domain name in dispute.

**b. Abusive Registration**

- i. The Adjudicator also finds, on a balance of probabilities, that the disputed domain name 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.
- ii. Consequently, the Adjudicator finds, on a balance of probabilities, that the disputed domain name, in the hands of the Registrant, is an abusive registration.

**Decision**

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

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**ANDRE VAN DER MERWE**  
SAIPL SENIOR ADJUDICATOR  
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