

ADJUDICATOR DECISION

CASE NUMBER:	ZA2019-0378
DECISION DATE:	15 November 2019
DOMAIN NAME	istore.co.za
THE DOMAIN NAME REGISTRANT:	PMDVOIP (PTY) LTD
REGISTRANT'S LEGAL COUNSEL:	Willemse, Muller & Babinszky Attorneys – Mallan Muller
THE COMPLAINANT:	Computer Core Business (PTY) LTD
COMPLAINANT'S LEGAL COUNSEL:	ENS INC – Delene Bertaso
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	ZACR (CO.ZA Administrators)

Contents

1) Procedural History	2
2) Factual Background	2
3) Parties' Contentions.....	4
a. Complainant	4
b. Registrant	10
c. Complainant's reply	11
4) Discussion and Findings.....	15
a. Complainant's Rights	15
b. Registrant's conduct.....	15
c. Abusive Registration.....	17
5) Decision	19

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **29 October 2019**. On **30 October 2019** the SAIPL transmitted by email to ZACR a request for the registry to suspend the domain name(s) at issue, and on **30 October 2019** 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 **02 September 2019**. In accordance with the Regulations the due date for the Registrant's Response was **01 October 2019**. The Registrant submitted its Response on **01 October 2019**, 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 **02 October 2019**.
- c. In accordance with the Regulations the due date for the Complainant's Reply was **09 October 2019**. [The Complainant submitted its Reply on **09 October 2019**.
- d. The SAIPL appointed **Mike du Toit** as the Adjudicator in this matter on **04 November 2019**. 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 is Core Computer Business (Pty) Ltd, which forms part of Core Computer Group Ltd. The Complainant trades as "iStore" and is an Apple Premium Reseller (APR) and a dedicated hub for Apple branded

products and accessories, with 23 stores situated across South Africa, iStore is the largest APR in Southern Africa.

- b. The brand ISTORE was conceived by the Complainant and it opened its first ISTORE in South Africa at Menlyn Park Shopping Centre in 2006 and at the Waterfront in Cape Town in 2007.
- c. The Complainant is the proprietor of the trade mark ISTORE and has several trade mark registrations for this trade mark in South Africa, applied for in 2010 and registered in 2013. The trade marks were registered in classes 9, 36, 38 and 41.
- d. In addition to the outlined statutory rights that the Complainant holds in the name and trade mark ISTORE, it has also acquired an extensive reputation, with accompanying goodwill, in this trade mark and name by virtue of its extensive and widespread use of the trade mark in South Africa since 2006.
- e. In 2015, the Complainant was considering registering the domain name <istore.co.za>. The domain name was not available, as it was already registered by the Registrant on 4 November 2004.
- f. The Complainant approached the Registrant on an anonymous basis to purchase the disputed domain name but as the parties could not agree on a selling price, the Complainant elected to keep on using the domain myistore.co.za, which it was already using with regard to its business. It decided to reconsider the issue, if it found that the disputed domain name pointed to an active website.
- g. In 2018, the Complainant became aware that a website associated with the disputed domain name had become active, and it instructed its attorneys to send a further letter of demand to Registrant.
- h. On 27 June 2018, the Complainant received a response from the Registrant's attorneys advising that *"the domain name has been in use by our client since at least 2004" and that " our client will not transfer the domain name registration <istore.co.za> to your client without being*

compensated for it as it is and has been an asset to our client since registration'

3) Parties' Contentions

a. Complainant

- i. The Complainant points out that the allegation in the Registrant's response that the disputed domain name has been registered and used since at least 2004 is incorrect. The Complainant was monitoring the domain name and attached a screenshot of the website linked to the disputed domain name dated 20 February 2017, which evidences that the website was still under construction and was, in fact, a parked page.
- ii. The allegation that the Registrant had used the domain name since 2004, was only made in June 2018 and the Complainant questions why, although this is denied, the Registrant didn't, in 2015, advise them. This, the Complainant alleges, casts serious dispersions on the *bona fides* of the Registrant's outlined allegation.
- iii. The Complainant avers that the disputed domain name is identical to the Complainant's ISTORE trade mark, as such the domain name is visually, aurally and conceptually identical to the ISTORE trade mark, and as such is confusingly similar to it.
- iv. The domain name now points to an active website located at www.istore.co.za, which indicates that the Registrant's business activities relate to online sales of electronic products, which services overlap directly with the services rendered and registered by the Complainant under its ISTORE trade mark.
- v. A review of the website now linked to the disputed domain name reveals the following noteworthy points:

1. the trade mark ISTORE is featured on the top left hand corner of the webpages on the site and is used throughout the narration on the website content;
 2. the website fails to indicate that the Registrant is not in any manner associated with or connected to the Complainant, rather the repeated presence of the trade mark ISTORE on the webpages will undoubtedly mislead consumers into thinking that the business on the website is that of, or in some manner associated with or endorsed by, the Complainant, resulting in consumers mistakenly conducting business and purchasing items online from the Registrant's website, thinking it is the complainant. It is noteworthy that both parties offer goods for sale online.
- vi. The Complainant submits that the disputed domain name in the hands of the Registrant is an abusive registration, based on the following:
1. Given the previous anonymous approach made to the Registrant to purchase the domain name and the Registrant's negotiation tactics used to increase the purchase price every time an offer was made, is indicative of the fact that the Registrant wishes to sell the disputed domain name for valuable consideration in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring or using the domain name, and in excess of the true value of the domain name. During the negotiations in 2015 it became abundantly apparent that the Registrant registered the disputed domain name with the sole purpose of then selling it to the highest bidder. This is again apparent from the Registrant's response to the Complainant's letter of demand when the Registrant stressed that it would not transfer the domain name to the Complainant without being compensated for it and stating

that it was willing to sell the domain name and that the Complainant should make an offer in writing. This unequivocally displays the Registrant's intention of selling the disputed domain name for a profit and is indicative of the Registrant's lack of *bona fides* and legitimate interest in the domain name.

2. According to the decision in MXIT Lifestyle (Pty) Ltd vs. Andre Steyn (ZA2008-00020), the date on which a complainant's rights must exist is the date of the Complaint and not the registration date of the disputed domain name. This was confirmed in Kentucky Fried Chicken International Holdings Inc vs. Malkhaz Kapanadze (ZA2016-0245). The fact that the disputed domain name was registered two years before the Complainant commenced use of the ISTORE trade mark, does not and cannot negatively impact on this matter's outcome, especially and as evidenced below, the Respondent must have known of Apple's range of products prefixed with "I".
3. The Complainant's first iStore was opened in Menlyn Park Shopping Centre in 2006. The iMac was, however, first available in South Africa within a few months of its international launch in 1998. In addition, the iPod was first available in South Africa 2001, the iPad in 2011 and iTunes in 2012. Copies of webpages from various websites confirming these dates are attached. The concept of a word with the prefix "i" has, therefore, been used in South Africa, and associated with Apple and its products, since 1998.
4. It is submitted that the Registrant was undoubtedly aware of the abovementioned concept when it registered the disputed domain name in 2004.

5. There is no apparent or plausible justification for the Registrant's registration of the disputed domain name, which is again indicative of his lack of *bona fides* in registering this name. The fact that the disputed domain name was registered in 2004, but only became active in late 2017 or early 2018, some 13 or 14 years later, and subsequent to the complainant's engagement with the Registrant to secure the disputed domain name, further dispels any legitimate reason for the registration of the disputed domain name by the Registrant.
6. The registration of the disputed domain name by the Registrant precludes the Complainant from its registration of such a domain name, which goes against the outlined rights that the Complainant holds in the name and trade mark ISTORE. It prevents the Complainant from using and registering the disputed domain name itself for its business and, therefore, from exercising its legitimate rights in the name and trade mark ISTORE, which it should, given those rights, be entitled to do. In 2015 the Complainant wanted to register the disputed domain name for use in its business, but was unable to given the prior registration of the disputed domain name. The Complainant is entitled to register as a domain name its trade mark ISTORE on its own in the .co.za space. The Complainant's wish to register the disputed domain name is entirely logical and reasonable given the rights that it holds in the name and trade mark ISTORE.
7. The disputed domain name prevents the Complainant from exercising its legitimate rights that it holds in the name and trade mark ISTORE. Such rights entitle the Complainant to prevent others from their unlawful use of its trade mark, but also to use this trade mark to the exclusion of others in

the course of the Complainant's endeavours. The continued registration and use of the disputed domain name do not only preclude the Complainant from registering the disputed domain name, but also impinges on its exclusive right to use to the trade mark ISTORE, to the exclusion of others.

8. In the circumstances, the disputed domain name prevents the Complainant from registering and using this domain name, whether through the direct intent of the Registrant or as an unattended consequence of the disputed domain name registration and blocks the registration of a name and mark in which the Complainant has rights, by the Complainant itself.
9. Further, the disputed domain name is unfairly disrupting the business and goals of the Complainant, given that the disputed domain name points to an active website, which displays the Complainant's ISTORE trade mark and indicates that the Registrant's business activities relate to online sales of electronic products, which services overlap directly with the Complainant's services of interest, for which it has registered and used its ISTORE trade mark.
10. The Registrant's use of the disputed domain name, undoubtedly diverts internet users away from the Complainant's website and its endeavours, and will inevitably mislead internet users to believe that the Registrant's site is associated with, affiliated to, or operated by the Complainant, which is not the case. This will undoubtedly unfairly disrupt the Complainant's business and its endeavours.
11. The Complainant has no control over the content on the associated website of the disputed domain name, nor of

the quality of the products it is selling on its website. Inaccurate content and products of inferior and poor quality are likely to result in significant harm to the Complainant, particularly on the Complainant's enviable reputation, and will therefore and as a consequence, unfairly disrupt the Complainant's business and goals.

12. Considering the Complainant's statutory and common law rights in the name and trade mark ISTORE, as set out above, together with the favourable and extensive reputation attaching to this trade mark, coupled with the prominence of the Complainant in the South African market; and the presence of the trade mark ISTORE in the disputed domain name and on the website linked to the domain name, there undoubtedly exists a likelihood of confusion or deception arising, misleading people and internet users into thinking that the disputed domain name is registered to, authorised or operated by or otherwise connected with the Complainant, which is not the case at all.
13. That the public are likely to be so misled arises from the presence in the disputed domain name of the name and trade mark ISTORE.
14. It is submitted that actual confusion is not necessary, but a likelihood of confusion will be sufficient. Further, confusion may be inferred in situations where the Registrant registered a domain name containing only the Complainant's trade mark.
15. In the circumstances, the disputed domain name has been registered so as to mislead the public into believing that the domain name is registered to, operated or authorised

by or otherwise connected to the Complainant, all of which are untrue.

16. It is clear from the above that the domain name has been used in a manner that takes unfair advantage of, and is unfairly detrimental to, the Complainant's right in its ISTORE trade mark.

b. Registrant

- i. The Registrant denied that the domain 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;
- ii. That the domain name has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.
- iii. In this regard the Registrant refers to:
 1. The Registrant's Webstore Product Information;
 2. The Registrant's Warranty and returns policy;
 3. The Registrant's Purchase Procedure;
 4. The Registrant's Privacy Policy;
 5. The Registrant's Terms and Conditions;
 6. The Registrant's Contact information;
 7. A powerpoint presentation dated 2005;
 8. A powerpoint presentation;
 9. The Registrant's average page views;
 10. The Registrant's Unique Visitors Reports;
 11. An example as to how customers mistaking the Registrant for the Complainant;
 12. The Registrant's Keywords Report;
 13. The Registrant's visits report.

- iv. The Registrant denies that the domain is an abusive registration based on the fact that the domain was registered in a manner which, at the time when the registration or acquisition took place, did not take unfair advantage of or was unfairly detrimental to the Complainant; and the domain name has not been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights. The Registrant relies on par iii 1-13.
- v. The Registrant alleges that before being aware of the Complainant's cause for Dispute, the Registrant has -
 1. used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services;
 2. been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain;
 3. made legitimate non-commercial or fair use of the domain name;
 4. the domain name is used generically or in a descriptive manner and the Registrant is making fair use of it.
- vi. The Registrant alleges that the Complainant is using the Regulations in bad faith because as it has shown in the recent past they have an interest in acquiring the domain name from the Registrant and, in absence of the latter's Agreement thereto this procedure is used in order to bully it into acquiesce.

c. Complainant's reply

- i. The Complainant points out that the Registrant's reasons why the disputed domain name is not abusive, constitute a bare denial, with irrelevant and unhelpful annexures.

-
- ii. No explanation, whatsoever, is advanced by the Registrant as to the reason for and background to the adoption, selection and registration of the disputed domain name;
 - iii. The Registrant did not reply to the allegations made with regard to the transfer of the domain name for valuable consideration in excess of the Registrant's reasonable out of pocket expenses.
 - iv. The Registrant did not reply to the history of the domain name.
 - v. The annexures referred to by the Registrant does not support its bare denial of an abusive registration. The annexures are discussed below:
 1. The Registrant's Warranty and Returns Policy, its Purchase Procedure and its Privacy Policy annexed as A, B and D to the response, are all one and the same document, and is available on the Registrant's website at www.istore.co.za ("the Registrant's website"). The copyright notice on annexures A, B and D state the year 2018 which indicates that these documents were only created in 2018 and not before. The creation of these annexures coincides with the date of use of the disputed domain name in 2018. As such, and given that these annexures are dated well after the date of the Complainant's rights in the ISTORE trade mark, namely 2006, these annexures are irrelevant to the matter.
 2. The Complainant denies that the referenced annexures support the Registrant's contention that the disputed domain name has been used in a manner that does not take unfair advantage of or is detrimental to the Complainant's rights, given the Complainant's prior rights in the ISTORE trade mark, and the use of this identical trade mark on the Registrant's website, on annexures A, B and D and in the disputed domain name, for goods that are the same as certain of the goods covered by Complainant's

registrations for ISTORE in class 9, which registrations date from 2010, and in relation to which it uses its ISTORE trade mark.

3. The search results featured in annexures J, K, L, M, O, P and Q are from Google Analytics for the limited period 1 June -31 July 2007. Once again, the Registrant does not explain these annexures nor share their relevance. the Complainant's rights in the trade mark ISTORE date from at least August 2006, prior to the date of the search results;
4. Annexures J-K provide data from Google Analytics regarding the number of pages viewed by visitors to the Registrant's website during the specified period. While this evidence seems to suggest that the disputed domain name pointed to a website during the specified period, no details are shared about the website content i.e. what was advertised, how it was advertised, nor the nature of any business possibly showcased on the website, so as to support a defence to the complaint. Further, it is difficult to reconcile this evidence, with the fact that the Registrant's "iStore business" was only founded in 2014;
5. Annexures J-M and O-Q have no bearing on the matter and do not support the Registrant's contentions.
6. Annexure N comprises of evidence of actual consumer confusion between the Complainant's and the Registrant's respective websites. This evidence unequivocally establishes that internet users are being misled into thinking that the Registrant's website and the disputed domain name is registered to, operated or authorised by the Complainant, which is untrue. In the circumstances, this evidence actually supports the Complainant's contention that the Registrant is using the domain name in

contravention of section 4 (b) of the Alternative Dispute Resolution Regulations (“the Regulations”).

7. Registrant has failed to advance any evidence or explanation demonstrating that prior to it first becoming aware of the Complainant’s cause of complaint, in 2015, it had made preparations to use the disputed domain name in relation to a good faith offering of goods or services, or made fair use of the disputed domain name.
8. The evidence provided does not countenance the fact that the Complainant first used the trade mark ISTORE in 2006 when it opened its first ISTORE in Menlyn in Pretoria, which was before the Registrant’s use of the disputed domain name in 2007;
9. The use of the disputed domain name tendered by the Registrant, does not rebut the fact that the disputed domain name is being used by the Registrant in a manner that takes unfair advantage of or is detrimental to the Complainant’s rights as not only does there exist a very real likelihood that internet users and visitors will be misled when encountering the Registrant’s website associated with the disputed domain name into believing that the disputed domain name is registered to, operated or authorised by the Complainant, which is untrue, but such confusion is actually occurring, as evident from annexure N. This is particularly so by virtue of the Registrant’s use of the trade mark “iStore” throughout the website and in the disputed domain name. In fact, the evidence tendered in annexures A-G and dated 2018, all indicate the unauthorised use of the Complainant’s ISTORE trade mark on the documentation, which will undoubtedly result, and is resulting, in consumer confusion.

4) Discussion and Findings

a. Complainant's Rights

- i. At the date of the complaint, the Complainant proved registered rights in its trade mark ISTORE, applied for in 2010 and registered in 2013. The trade marks were registered in classes 9, 36, 38 and 41. It also proved common law rights based on the date of first use of the ISTORE trade mark in 2006. The Registrant did not dispute the rights and the rights are accepted as proven. Based on the date of first use, the Complainant's rights in the trade mark ISTORE dates back to 2006.
- ii. The Complainant relied on the decision in MXIT Lifestyle (Pty) Ltd vs. Andre Steyn (ZA2008-00020), which found that the date on which a complainant's rights must exist is the date of the complaint and not the registration date of the disputed domain name. This was confirmed in Kentucky Fried Chicken International Holdings Inc vs. Malkhaz Kapanadze (ZA2016-0245). This adjudicator concurs with the Complainant's reference to this case law, as the basis to establish the date on which the rights must exist.
- iii. The Complainant has accordingly proven its rights in the ISTORE trade mark as on the date of the complaint for purposes of regulation 1. As stated above, their rights are unchallenged.
- iv. The Registrant did not put forward any argument that the trade mark ISTORE is not identical to the disputed domain name. Even if it did, any attempt would have been futile.

b. Registrant's conduct

- i. The facts in support of the allegation that the disputed domain name in the hands of the Registrant is an abusive registration, put forward by the Complainant, was dealt with by the Registrant as a bare denial.

- ii. The Registrant, when approached to sell the domain name, attempted to sell it at a price, well in excess of its out of pocket expenses, at a time when those expenses were probably limited to its registration and renewal fees.
- iii. The Registrant did not explain why the disputed domain name, which was registered in 2004, and on all accounts dormant, and which was the subject of a potential purchase, suddenly featured in an "iStore business" and based on the Registrant's response, the earliest at which it allegedly started making preparations to use the domain name, was in 2007. Based on the date of the copyright notice of the documents supplied by the Registrant, it probably only started trading in 2018. At the time when this online business started trading under the ISTORE name and utilising the disputed domain name, the rights of the Complainant in its ISTORE trade mark was already established in 2006. Given the nature of the on-line store, it is highly unlikely that the Registrant was unaware of the business of the Complainant and its trade mark.
- iv. The Registrant's attempt in providing evidence to dispel the notion of an abusive domain name in its hands, did little to support its bare denial. On the contrary, it supported the Complainant's contention that the use of the disputed domain name by the Registrant, lead to deception or confusion.
- v. The evidence supplied by the Registrant did not support any of the defences advanced:
 1. The alleged use or preparations of use commenced after the Complainant established its rights in 2006;
 2. The Registrant wasn't known nor legitimately connected with the ISTORE trademark.
 3. The Registrant cannot claim to have commenced a good faith offering of goods and services and in the same

breath, defend itself of making non-commercial or fair use of the domain name;

4. Similarly, in light of the above, it cannot claim to have used the domain name generically or in a descriptive manner, these defences are mutually exclusive if the Registrant claims to have made preparations to use the domain name in 2007.
5. On a balance of probabilities, the Registrant, having failed to sell the domain name at an exorbitant amount to an undisclosed purchaser, set out to establish an on-line offering utilising the disputed domain name against the background of the Complainant's use of the trade mark ISTORE in the market place.
6. The Complainant failed to make reference to Annexure 19B, an extract from the Registrant's ISTORE web page, in which reference is made by the Registrant that it was founded in July 2014. On the Registrant's own version, the copyright notices on annexures A-Q, refer to 2018, on its website it refers to 2014 and in correspondence with the Complainant it refers to use since 2004. The Registrant did not support its allegations of use since 2004 with any plausible evidence and apparently left it up to the Complainant and this adjudicator to determine when their use commenced. The only conclusion to come to is that its use commenced after the Complainant established its rights in the ISTORE trade mark and once it commenced its use, the Registrant used the disputed domain name in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

c. Abusive Registration

- i. An abusive registration means a domain name which either: -

1. was registered or otherwise acquired in a manner which, at the time when the registration took place, took unfair advantage or, was unfairly detrimental to, the Complainant's rights, or;
 2. has been used in a manner which takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.
- ii. Regulation 5(c) states: *"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 first and second level suffixes) is identical to the mark in which the Complainant asserts rights, without any addition."*
 - iii. The Registrant did not deal with the adoption of the identical domain name at the time of registration, the attempts to sell it at exorbitant prices and the adoption of the use of the disputed domain name in a near identical on-line business after the Complainant established its rights.
 - iv. Even though the approach made to the Registrant was on behalf of an undisclosed purchaser at the time, the Registrant embarked on a campaign that set about to use the domain name in such a manner to take unfair advantage of the established rights of the Complainant and in a manner that is unfairly detrimental to the Complainant's rights;
 - v. In ZA 2019-0376 the adjudicators found, in circumstances not dissimilar to the use by the Registrant, that although a positive intention to abuse the rights of the Complainant isn't necessary, the facts provided by the Complainant shows that there has been such a positive intention. The Registrant didn't attempt to dispel this at all.
 - vi. This abusive use of the disputed domain name came about after the Complainant established its rights in the ISTORE trade mark in

2006. Up to that time, the disputed domain name was on all accounts, dormant;

- vii. The Registrant started using the domain name in a way that lead people or businesses to believe that the domain name is registered to, operated or authorised by or otherwise connected with the Complainant. This is against the background of and at a time when the Complainant had well established rights in the ISTORE trade mark.
- viii. This adjudicator finds that the domain name is an abusive registration that has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

5) Decision

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

.....
Mike du Toit
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za