

ADJUDICATOR DECISION

CASE NUMBER:	ZA2021-0428
DECISION DATE:	03 December 2021
DOMAIN NAME	car.co.za
THE DOMAIN NAME REGISTRANT:	ALASTAIR MacMURRAY
REGISTRANT'S LEGAL COUNSEL:	Spoor & Fisher Attorneys - Natalie Slabbert
THE COMPLAINANT:	RAMSAY MEDIA (PTY)LTD
COMPLAINANT'S LEGAL COUNSEL:	BCHC Attorneys - Liezl-Mari Mouton
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	ZA Central Registry (ZACR)

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **12 August 2021**. On **12 August 2021** the SAIPL transmitted by email to ZACR a request for the registry to suspend the domain name(s) at issue, and on **12 August 2021** 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 **20 August 2021**. In accordance with the Regulations the due date for the Registrant's Response was **17 September 2021**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **20 September 2021**.
- c. The SAIPL appointed **Mike du Toit** as the Adjudicator in this matter on **22 September 2021**. 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.
- d. On **23 September 2021** the Registrant submitted a condonation application which this adjudicator considered and on **24 September** granted the condonation and instructed the Registrant to file his response on or before **19 October 2021**. On **18 October 2021** the Registrant submitted his response and on **26 October 2021** the Complainant submitted its reply. The matter was sent to ZADNA for informal mediation on **27 October 2021** and on **15 November 2021**, ZADNA reported that the parties decided to proceed to arbitration as they do not believe that mediation would assist.

2) Factual Background

- a. The crux of this dispute is the Complainant's insistence that it has rights in the word CAR for its online and hard copy CAR publication covering all things related to cars and on the other hand the Registrant's use of the generic term CAR in the car trade.
- b. The Registrant of the disputed domain is a director of a company by the name of 'Cars on the Internet (Pty) Ltd' ('COTI'). This is not in dispute. The Registrant is also the ultimate beneficial owner of COTI as he owns 50% of Celerity Ventures, which owns 94.5% of Cars on the Internet.
- c. COTI is the proprietor/owner of the website located at the domain 'cars.co.za'.
- d. If a user clicks on the disputed domain, he/she is redirected to the 'cars.co.za' domain.

Cars on the Internet provides consumers and automotive dealerships with a platform to buy and sell used and new vehicles including a wide range of cars, bakkies, and commercial vehicles. At present, COTI has listed approximately 70 000 vehicles for sale across South Africa. Cars are listed on the platform on a monthly basis, predominantly by automotive dealerships, but also by private sellers. Its services to its clients also include providing them with the latest advice in respect of purchasing and maintaining their vehicles as well as providing news and reviews on vehicle maintenance, tools, and related products.

- e. In connection with these services, it has used the trade mark CARS.CO.ZA as well as the domain - cars.co.za- since 2009.
- f. It claims to have attained a reputation in this trade mark which is an important part of its goodwill. Consumers associate the CARS.CO.ZA trade mark and domain with COTI and its services. Accordingly, the Registrant claims that COTI has obtained strong common law rights in the trade mark CARS.CO.ZA.





g. To protect these rights and reputation, COTI has obtained registration of, inter alia, the following trade mark registrations:

- i. 2015/27692  in class 9;
- ii. 2015/27693  in class 16;
- iii. 2015/27694  in class 35; and
- iv. 2015/27695  in class 42

h. The disputed domain - car.co.za - is all but identical to the CARS.CO.ZA registrations and the common law trade mark CARS.CO.ZA. It is asserted that the Registrant - as director of COTI - is entitled to the ownership of the car.co.za domain which is almost identical to the CARS.CO.ZA registrations.

i. The Complainant is a leading publisher in Southern Africa, established in 1933. At present, the Complainant company publishes various print and digital magazine titles, including the monthly motoring publication named CAR. The first edition of the CAR magazine was published in 1957. Since then, a new edition has been published each month for over 64 years. This is disputed by the Registrant, claiming that the Complainant has not adduced any evidence of the existence of the CAR magazine since 1957.

j. In 1998 the Complainant launched a CAR website, located at the domain cartoday.com

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- k. In 2010 the Complainant redirected the '**Car**' website from www.cartoday.com to the domain carmag.co.za which remains the domain of use for the website.
- l. The Complainant is currently the proprietor of the following CAR trade marks, which are registered in its name:
1. 1991/07024 (in class 16): CAR LOGO

 2. 1991/07025 (in class 25): CAR LOGO

 3. 2002/14196 (in class 16): CAR LOGO

 4. 2002/14197(in cl 25): CAR LOGO

- m. The Complainant claims to have expended considerable time, effort, and money, in establishing the CAR name, brand and marks in South. As a result thereof, they claim that CAR has remained the dominant and most successful motoring hard copy and digital publication in South Africa for many years.
- n. The Complainant claims to have a statutory right to protection from *inter alia* the unauthorised use of a mark which is identical or similar to the registered marks in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the marks concerned are registered, where (as here) in such use there exists the likelihood of deception or confusion
- o. In addition, the Complainant claims common law and commercial rights to the CAR name, brand and marks.

3) Parties' Contentions

a. Complainant

- i. The Complainant contends that the disputed domain name is an abusive registration in the hands of the Registrant.
- ii. The disputed domain name was registered and then acquired in a manner which, at the time of both the initial registration by the former Registrant and the later acquisition by the current Registrant, took unfair advantage of or was unfairly detrimental to the Complainant's rights in that:
 1. The ZA Registry response records that the disputed domain name was first registered on 23 February 2018, and that the former Registrant was a party by the name of '*iDomains*'. However, Screenshots in respect of the domain downloaded from the www.waybackmachine.com website demonstrate that the domain was actually being used by an unrelated third party as early as 2001, which the Complainant contends was the reason why it was unable to register the disputed domain name itself after the initial launch of the CAR website. It is not evident from the ZA Registry response precisely when the former Registrant transferred the disputed domain name to the current Registrant, but it clearly took place at a point in time after 2018.
 2. Both the former Registrant and the current Registrant only acquired rights in/to the disputed domain name after 2018 (i.e. much later in time than the Complainant's rights in the 'Car' name, brand and marks arose).
 3. The Registrant did not itself register the disputed domain name. That registration is in all probability the product of an opportunistic pre-emptive or back order registration by a

third party (i.e. 'iDomains' acquired the disputed domain primarily to sell, rent or otherwise transfer for valuable consideration in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring or using the domain name).

4. It is highly probable that the disputed domain name was registered and later acquired for no other reason than its association with the Complainant's CAR name, brand and marks (The value in the disputed domain name consists almost exclusively in its resemblance to the CAR name, brand and marks).
5. The Registrant is using the disputed domain to its advantage, and to the detriment of the Complainant, but unfairly so in that, despite the goodwill and reputation of CAR and despite the registered marks - the disputed domain name cannot be exploited by the Complainant while in the hands of the Registrant.
6. The Registrant is not making *bona fide* use of the disputed domain name as he is using the disputed domain purely as a bounce mechanism to a third-party website. Put differently, the disputed domain is being used as nothing more than a click-through platform to bait and then redirect visitors to a website located at another domain.
7. Thus, although the Registrant may be permitting COTI's (indirect) use of the disputed domain, it is not the Registrant's use (he is neither using the disputed domain nor is he the proprietor/owner of the website parked at the linked domain cars.co.za).
8. COTI is a direct competitor of the Complainant (i.e. the product offering on COTI's website parked at

www.cars.co.za competes directly with the CAR offering on the Complainant's website).

9. There can be no other legitimate reason for using the disputed domain name other than to unfairly deprive the Complainant (COTI's direct competitor) of the use of the disputed domain name or to allow COTI to take unfair advantage of the goodwill and reputation that the Complainant has established in the 'Car' name, brand and marks over time (in other words, the disputed domain name was chosen, registered and is being used for no other reason than its association with the Complainant).
10. With the bounce mechanism in place and considering the similarity between the 'Car' and 'Cars' brands/names/domain names, the Complainant submits that the current state of affairs must create confusion in the minds of consumers and/or businesses who are, innocently or otherwise, clearly being led to believe that COTI's website offering (which is hyper-linked to the disputed domain) is operated by, or otherwise associated with, the Complainant's CAR name, brand and marks, which is not the case.
11. In all the circumstances, COTI's use of the disputed domain is, at best, an unnecessary luxury that is unfairly anti-competitive and, at worst, a calculated commercial step designed to either unfairly prevent the Complainant's exploitation of its name, brand and marks or to unfairly gain leverage from 'Cars' goodwill and reputation, or both.
12. In the end, a decision adverse to the Registrant will neither deprive him of use of the disputed domain (which he is not currently using anyway) nor will it deprive COTI of a domain name that aligns with its own trade name/brand

name or identity. The existence of either such state of affairs might have rendered any resistance to relinquishing the disputed domain rational (but the absence of which, as here, renders any such resistance legally irrational and otherwise opportunistic.)

- iii. The Complainant asserts that the disputed domain name:
 1. was registered and acquired in a manner which - at the time of its registration and later acquisition - took unfair advantage of or was unfairly detrimental to the Complainant's rights; and/or
 2. has and is being used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

b. Registrant

- i. The disputed domain was used as early as 2001 by a party called iAfrica in respect of its services of advertising news about vehicles and motoring the use by iAfrica of the car.co za domain to showcase news regarding cars and vehicles attests to the generic nature of the word "car" in respect of such services. As the Registrant did not create the domain, it is not incumbent on him to defend the circumstances under which the domain was created.
- ii. The Registrant, as a representative of COTI, has a legitimate interest in the disputed domain. The Registrant uses this domain to legitimately direct custom to his company's website at www.cars.co.za .
- iii. The Registrant submits that the disputed domain consists wholly of the generic word "car" to which no party can claim exclusivity, especially in respect of the use of this word to sell cars and vehicles. The Complainant has not established that its CAR trade

marks have attained a secondary meaning associating these marks exclusively with the Complainant in relation to the sale of cars and vehicles.

- iv. The Registrant's business - Cars on the Internet - is the proprietor of the common law trade mark CARS.CO.ZA, which it has used since 2009, and the CARS.CO.ZA registrations.
- v. There has been no confusion between the Registrant's brand - CARS.CO.ZA - and the brand of the Complainant - CAR MAG. These brands have coexisted in trade since 2009. Further, the website resolved to by the car.co.za domain name (i.e. (<https://www.cars.co.za/>)) and the website of the Complainant (<https://www.carmag.co.za/>), are not confusingly similar and no confusion in trade is likely should the Registrant continue to use the car.co.za domain.

4) Discussion and Findings

- i. An apple is not only an apple, but also a computer. So why can one not claim rights in the trade mark APPLE for apples but on the other hand, Steve Jobs built an empire on the trade mark APPLE. The simple answer is that APPLE is not a distinctive trade mark for apples but as a trade mark for computers, it is one of the most recognizable brands in the world. This example applies in this domain dispute.
- ii. The Complainant submitted that the disputed domain name is an abusive domain name in the hands of the Registrant. This 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 in terms of Regulation 3(1)(a) are present viz:
 - 1. that the Complainant has rights in respect of a name or mark,

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2. that is identical or similar to the disputed domain name;
and
 3. that, in the hands of the Registrant, the disputed domain name is an abusive registration.
- iii. An abusive registration is defined in the definition section viz in Regulation 1, to mean a domain name which either:–
1. 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
 2. has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights
- iv. In this dispute, the Complainant is claiming rights to the disputed domain name car.co.za based on what it believes to be rights in and to the trade mark CAR. The Complainant illustrated common law rights in its use of a stylised CAR trade mark, as used for a monthly motoring publication. The common law rights as claimed, illustrate rights in a stylised version of the CAR trade mark, also used as CARTODAY and CARMAG. It is probably true that this motoring publication has been the cornerstone of motoring journalism since the 1950's. However, despite claiming these extensive common law rights, the Complainant failed to illustrate that the word CAR, as compared to the stylised version of the word as used and as registered as a trade mark , used in relation to a motoring publication, is distinctive of a motoring publication. I therefore find that the word CAR, in relation to a motoring publication, is one of those words that would probably never, despite overwhelming evidence of use, become distinctive of a motoring publication. The same applies to the use of CAR in relation to vehicle sales or vehicle rentals. By way of example, the word WINE used in relation to a publication dealing only with wine,

will never be distinctive. The word WINE used in relation to on-line wine sales, will never be distinctive of those services. Although these generic words cannot function as trade marks, they hold huge marketing opportunities when used in a domain name.

- v. The Complainant is only too aware of the shortcomings of the word CAR as a trade mark, having filed stylised versions of the word CAR as trade marks. These trade mark registrations mirror the stylised versions of the CAR trade mark used throughout the years. In addition, as a condition for registration of its stylised version, the Complainant agreed to a disclaimer of the word CAR, limiting its CAR registrations to the exact format and style as registered.
- vi. This adjudicator finds that the statutory and common law rights relied upon by the Complainant, do not illustrate any rights in the word CAR in relation to a motoring publication. The stylised version does not confer any rights in the simple word and this is borne out by the evidence of use submitted and the Complainant's registered rights. There is an inherent risk when choosing descriptive and generic words as trade marks. Unless such a generic word acquired distinctiveness through use, it shall remain descriptive and generic.
- vii. The Registrant submitted that this principle as illustrated in the case of *First National Bank of SA Ltd v Barclays Bank and another* [2003] 2 All SA 1 (SCA) applies equally to the word CAR. I agree.
- viii. I further refer to *FF Bequest vs Brilliant British (D00023374)*, relied on by the Registrant, where the word "bequest" was in issue. It was held that the use of a purely generic or descriptive term can be abusive where that generic term, in the hands of the Complainant, has obtained a secondary meaning. However, this would only be in exceptional circumstances. I have already found

that the Complainant failed to prove that the word CAR is distinctive of their services, i.e. acquired a secondary meaning.

- ix. The consequence of my finding is that the Complainant has not proven that it has rights in the word CAR and therefore not complied with Regulation 3(1)(a). The word CAR remains generic in the publishing business relating to motoring as it is equally generic in the wholesale and retail business of vehicles.
- x. Having found that the Complainant has not proven rights in the word CAR, I do not have to deal with the question of whether the domain name is an abusive domain name. However, for the sake of completeness, I will briefly touch on the conduct of the Registrant.
- xi. The Complainant submitted that the Registrant is not making *bona fide* use of the disputed domain name by using the domain purely as a bounce mechanism to a third-party website. This statement must be considered in light of the Complainant's submission that this third party is a direct competitor of the Complainant, with a product offering that competes directly with the CAR offering on the complainant's website.
- xii. The facts relied upon by the Complainant do not support this submission. It is not clear what product offering of the Complainant is referred to. It cannot be that of a motoring publication as the third party, Cars on the Internet ("COTI"), sells vehicles on the internet. It is not supported by evidence to claim that the Complainant offers the sale of vehicles. On the evidence submitted, third parties use the magazine, whether the online version or hard copy, to sell their vehicles. The Complainant's offering in this case is advertising space and not the selling of vehicles.

- xiii. I therefore find that the Complainant and the Registrant are not direct competitors, the only commonality is the fact that both deal with cars, the one writes about cars and the other sells cars.
- xiv. Much is made by the Complainant that the Registrant uses the disputed domain name to direct traffic to the website of COTI. The Registrant illustrated that he has a legitimate and *bona fide* commercial interest in the business of COTI. Even if the Complainant disputes the legal structure of the Registrant's interest in COTI, there can be no denying that the use of the disputed domain name is *bona fide*. The use of a so-called "bounce mechanism" under these circumstances is simply good business and it cannot be seen to be taking unfair advantage of or be unfairly detrimental to the rights of the Complainant.
- xv. On the evidence presented by the Complainant, I find that the evidence does not support any finding 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
- xvi. has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.
- xvii. I also make no finding on the initial registration of the disputed domain name, as it falls outside the ambit of this dispute.

5) Decision

Having found that the Complainant has not complied with Regulation 3(1)(a), in that it has not proven any rights in the word CAR, the Dispute is refused.

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Mike du Toit
SAI IPL SENIOR ADJUDICATOR
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