

Decision

ZA2021-0435

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2021-0435
DECISION DATE:	23 February 2022
DOMAIN NAME:	himalayawholesale.co.za himalayawellnesssa.co.za himalayahealthcare.co.za himalayaproducts.co.za himalayadrugcompany.co.za thehimalayadrugcompany.co.za
THE DOMAIN NAME REGISTRANT:	Nazrene Israel
REGISTRANT'S LEGAL COUNSEL:	Cliffe Dekker Hofmeyr – Shaad Vayej
THE COMPLAINANT:	The Himalaya Drug Company (Pty) Ltd Himalaya Global Holdings Ltd
COMPLAINANT'S LEGAL COUNSEL:	Ulrich Roux and Associates Inc – Casper Badenhorst
2 nd LEVEL ADMINISTRATOR:	ZACR

1. Procedural History

- 1.1 The Dispute was received by the South African Institute of Intellectual Property Law (herein "**the SAIPL**") on **29 November 2021**. On the same day the SAIPL emailed a request to the ZA Central Registry (herein "**ZACR**") to suspend the domain names in issue, and on the same day the ZACR confirmed that the domain names had been suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternative Dispute Resolution Regulations (herein "**the Regulations**"), and the SAIPL's Supplementary Procedure.
- 1.2 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **30 November 2021**. In accordance with the Regulations, the due date for the Registrant's response was **3 January 2022**. On **14 December 2021** the SAIPL received correspondence from the Registrant's legal representatives wherein it requested an extension of the deadline within which the Registrant is required to file its Response, namely until the end of **January 2022**. I pause to note that the Complainants' legal representatives were not included in the initial request to the Case Administrator. On **15 December 2021** the Case Administrator, having satisfied herself that good cause was shown by the requesting party to allow a limited extension of the deadline, extended the deadline till **14 January 2022**.¹ Following confirmation of the extension by the Case Administrator, and on **17 December 2021**, the Registrant's legal representative requested that the extension rather be granted till **21 January 2022**, and not **14 January 2022**, in order for the Registrant to properly consult with its counsel on the matter. The Registrant's legal representatives also submitted that the extension should be granted till **21 January 2022**, and not **14 January 2022**, as there is no urgency to the matter. The Complainants' legal representatives, after becoming aware of the request, and on the same day, protested the further request by the Registrant's legal representatives, noting that the time periods prescribed by Regulation 18 are to ensure an expeditious process in finalising the matter and that the urgency of the matter

¹ Clause 11 of the SAIPL's Supplementary Procedure.

should not have any bearing on the prescribed deadlines.² After considering the arguments tendered by both the Registrant's legal representatives and those of the Complainants, and on **20 December 2021**, the Case Administrator ruled that the extension granted till **14 January 2022** was sufficient for the Registrant to file its Response. The Registrant submitted its Response on **14 January 2022**, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure.

- 1.3 In accordance with the Regulations the due date for the Complainants' Reply was **24 January 2022**. The Complainants submitted their Reply on **24 January 2022**.
- 1.4 The SAIPL appointed **Mike du Toit** as the Adjudicator in this matter on **3 February 2022**. 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. The Adjudicator was assisted by **Chris Brand**.

2. Factual Background

- 2.1 The following facts are not in dispute.
- 2.2 The First Complainant is The Himalaya Drug Company (Pty) Ltd, a private company duly incorporated as such in terms of the company laws of South Africa on 18 May 2006 under registration number 2006/014975/07. The First Complainant has also been trading under the name and style of The Himalaya Drug Company in South Africa since May 2006.
- 2.3 The First Complainant is a wholly owned subsidiary of the Second Complainant and the entity through which the Second Complainant conducts its business operations in South Africa.
- 2.4 The Second Complainant is Himalaya Global Holdings Ltd (previously MMI Corporation), a company duly incorporated under the laws of the Cayman

² Clause 11(b) of the SAIPL's Supplementary Procedure.

Islands. The Second Complainant is a large global entity which has subsidiaries in various countries (which include the First Complainant) (herein "**Himalaya Group**").

2.5 The Himalaya Group sell a brand of pharmaceutical, dietary supplement and personal care products reflecting the name "Himalaya" alongside, *inter alia*, the words "Herbals" or "Wellness" (herein "**Himalaya Products**"). The Himalaya Group has been selling Himalaya Products globally and is a well-established brand trading for over 90 years.

2.6 The Second Complainant is the proprietor in South Africa of the following trade mark registrations:

2.6.1 trade mark registration no. 2003/11251-53 **HIMALAYA HERBALS** (Composite) in classes 3, 5, and 30, dated 4 July 2003;



2.6.2 trade mark registration nos. 2010/24670-72 **HIMALAYA DRUG COMPANY (THE)** (Word) in classes 3, 5, and 30, dated 11 October 2010;

2.6.3 trade mark registration nos. 2013/32386-89 **HIMALAYA WELLNESS SINCE 1930** (Composite) in classes 3, 5, 16, and 30, dated 19 November 2013;



2.7 I shall forthwith refer to these trade mark registrations collectively as the "**Himalaya Trade Marks**".

2.8 The First Complainant is a permitted user of the Himalaya Trade Marks.³ Any use, therefore, made by the First Complainant of the Himalaya Trade Marks shall be deemed to be use of the Himalaya Trade Marks by the Second Complainant.⁴

³ Section 38(1) of the Trade Marks Act.

⁴ Section 38(2) of the Trade Marks Act.

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- 2.9 The Second Complainant, its affiliates and subsidiaries are also the registrant of the following domain names, namely *himalayawellness.in*, registered on 24 September 2013, *himalayawellness.com*, registered on 30 May 2012, and *himalayaherbals.com*, registered on 5 July 2000.
- 2.10 The domains in question are:
- 2.10.1 *himalayawholesale.co.za*, registered on 22 August 2020;
 - 2.10.2 *himalayawellnesssa.co.za*, registered on 22 July 2020;
 - 2.10.3 *himalayahealthcare.co.za*, registered on 8 October 2019;
 - 2.10.4 *himalayaproducts.co.za*, registered on 4 July 2020;
 - 2.10.5 *himalayadrugcompany.co.za*, registered on 9 October 2019; and
 - 2.10.6 *thehimalayadrugcompany.co.za*, registered on 5 July 2020.
- 2.11 I shall forthwith collectively refer to these domain names as the "**Disputed Domain Names**".
- 2.12 The Registrant in respect of the Disputed Domain Names is Ms. Nazrene Israel.
- 2.13 In 2016, Mr. Gareth Thomas, the Country Head of the First Complainant, engaged with Goodibox (Pty) Ltd, represented by the Registrant, to obtain its assistance in creating brand awareness of Himalaya Products in South Africa. The business conducted by Goodibox is that of marketing awareness and reaching of a target market for clients mandated by Goodibox.
- 2.14 The engagement between Mr. Thomas and the Registrant led to the Registrant incorporating the private company, Himalaya Herbals (Pty) Ltd, on 19 October 2016. Himalaya Herbals (Pty) Ltd conducts its business as an independent distributor of Himalaya Products in South Africa by way of its online e-commerce platform located at, *inter alia*, <http://www.himalayaherbals.co.za>. Goodibox (Pty) Ltd is the indicated registrant of this domain.

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- 2.15 I pause to note that the registration of the *himalayaherbals.co.za* and *himalayawellness.co.za* domains are the subject matter of another complaint placed before this forum for adjudication. It is, therefore, not necessary for purposes of this adjudication to consider whether it constitutes an alleged abusive registration.
- 2.16 Himalaya Herbals (Pty) Ltd is not affiliated to the Complainants and independently distributes Himalaya Products in South Africa. Himalaya Herbals (Pty) Ltd and the First Complainant have had past business dealings in the form of annual trading agreements, for the period 2016 to 2020, wherein the First Complainant provided Himalaya Herbals (Pty) Ltd with favourable purchasing prices of Himalaya Products for sale and distribution by Himalaya Herbals (Pty) Ltd and to gain brand awareness thereof in South Africa.
- 2.17 During the period of 2016 to 2020, the Registrant, either itself or through Goodibox, registered several domains incorporating the HIMALAYA mark. These domains included *himalayaherbals.co.za*, *himalayawellness.co.za*, *himalayaonlineshop.co.za*, and the Disputed Domain Names (herein collectively "**Himalaya Domains**").
- 2.18 The circumstances around the irretrievable breakdown of the relationship between the Complainants and the Registrant differ on each parties' version of events, however, consensus was found on the following points.
- 2.19 The Complainants were aware that the Registrant had incorporated the company, Himalaya Herbals (Pty) Ltd, and registered the domains the *himalayaherbals.co.za* and *himalayawellness.co.za* from which the Registrant conducted its business. The Complainants terminated the promotional and marketing services previously obtained from Goodibox and requested that the Registrant transfer the *himalayaherbals.co.za* and *himalayawellness.co.za* domains to the Complainants, and the Complainants will consider appointing the Registrant in a marketing position to manage the operation of the platforms on these domains for the benefit of the Complainants. Mr. Thomas then requested the Registrant to forward the pricing she felt was fair and

equitable for the transfer of the *himalayaherbals.co.za* and *himalayawellness.co.za* domains to the Complainants. The Registrant then forwarded her price, which was calculated by the Registrant to be in the amount of USD\$ 868 000.00. This price included the sale of the Registrant's online stores, the transfer of the *himalayaherbals.co.za* and *himalayawellness.co.za* domains, as well as the Disputed Domain Names, and several social media accounts held and operated by the Registrant which sold and promoted Himalaya Products. It was only at this time (around September 2020) that the Complainants became aware of the Disputed Domain Names. According to the Registrant, the Disputed Domain Names were only registered in a defensive manner and did not provide for any online e-commerce platform for the sale of Himalaya Products. This will be dealt with in more detail below.

- 2.20 The Complainants were somewhat aggravated by the news of the registration of the Disputed Domain Names, as well as the large purchase price offered by the Registrant for the sale of the Registrant's business, which included the Disputed Domain Names. The parties then appeared to have negotiated further to ascertain whether mutual agreeable terms could be found for the transfer of the Disputed Domain Names, as well as the Registrant's further possible participation in the business of the Complainants.
- 2.21 Following the failed negotiations, and on 18 November 2020, the Registrant provided the First Complainant with an ultimatum. Either the Registrant, or her entities, retain full control of the websites, online stores and all associated platforms, or the Complainants buy her out. The 'buy-out' would include:
 - 2.21.1 the sale of two fully operational secure online stores delivering Himalaya Products to households and business across South Africa;
 - 2.21.2 the Himalaya Domains; and
 - 2.21.3 several social media pages and accounts, for a total consideration of USD\$ 868 000.00.

2.22 The offer was forwarded to the Second Complainant for consideration, however, was rejected considering, in the Second Complainants' view the purchase price proposed, *inter alia*, exceeded the reasonable out-of-pocket expenses directly associated with acquiring or using the Disputed Domain Names.

2.23 The Complainants then demanded that the Registrant transfer the Disputed Domain Names to it for no consideration. The Registrant, however, refused to do so.

2.24 The Complainants then approached this forum for relief.

3. Complainant's contentions

3.1 The following is a summary of the Complainants' contentions.

3.2 The Complainants contend that they have a collective right to protect the Himalaya Trade Marks in that they have used and promoted the Himalaya Trade Marks on an extensive scale. The Himalaya Trade Marks, which include the wording, "Himalaya Herbal" and "Himalaya Wellness", are unique references identifying the Complainants, their reputation and the goodwill attaching to these trade marks, which they have been using for a considerable period, as evidenced by their mark "Himalaya, Since 1930".

3.3 The Complainants submit that the trade agreements concluded between Himalaya Herbals (Pty) Ltd and the First Complainant did not expressly assign or license any right to Himalaya Herbals (Pty) Ltd or the Registrant to utilise the Himalaya Trade Marks other than provided for in the trade agreements. In support of this contention, a copy of the most recent trade agreement between Himalaya Herbals (Pty) Ltd and the First Complainant was provided.⁵ The copy of the trade agreement had no provisions concerning any assigned rights or permitted use of the Himalaya Trade Marks.

3.4 It is further contended that the sole purpose of the trade agreement was to provide favourable supply deals to Himalaya Herbals (Pty) Ltd and did not

⁵ Annexure A20 to the Complaint.

confer any rights to the Registrant to utilise the Himalaya Trade Marks and to continue business as if Himalaya Herbals were associated with the Himalaya Group. It is further contended that, to the extent that the Complainants did provide the Registrant or Himalaya Herbals (Pty) Ltd with verbal consent to use the Himalaya Trade Marks, such consent no longer exists. The Himalaya Products provided to the Registrant and Himalaya Herbals (Pty) Ltd was provided to them on consignment basis for the sale thereof in South Africa.

- 3.5 The Complainants further contend that Disputed Domain Names contain identical wording to the Himalaya Trade Marks as well as the domain names used by the Complainants and will lead to confusion in respect of the association created in the minds of consumers between the Disputed Domain Names and the Complainants.
- 3.6 The Complainants further contend that any adverse publicity which may be attracted by the Registrant and Himalaya Herbals (Pty) Ltd, as a result of the unauthorised use of the Himalaya Trade Marks, will negatively impact on the Complainants.
- 3.7 The Complainants contend that they were not aware of the registration of the Disputed Domain Names before September 2020. The Registrant, through its entity Goodibox, was merely requested to assist with the marketing of the Complainants' business, however, found the potential of registering several domain names which used the Himalaya Trade Marks.
- 3.8 It is further submitted that the registrations of the Disputed Domain Names are abusive in that the Disputed Domain Names are identical to the Himalaya Trade Marks, prevents the Complainants from exercising their rights and serve to disrupt the business of the Complainants in South Africa. The Complainants never authorised the Registrant to register the Disputed Domain Names. It is further contended that the Registrant's actions are *mala fide* and indicate that the Registrant intends to prevent the Complainants from exercising their rights to the exclusivity of the Himalaya Trade Marks.
- 3.9 It is further contended that the Disputed Domain Names are also abusive due to the fact that the Registrant demanded and exorbitant amount for the

transfer of the Disputed Domain Names to the Complainants. The demand for payment of USD\$ 868 000.00, which included the price to have the Disputed Domain Names transferred to the Complainants, is in excess of the reasonable out-of-pocket expenses directly associated with acquiring or using the Disputed Domain Names.

3.10 The Complainants contend that any value which may have accrued to Himalaya Herbals (Pty) Ltd and the domain names associated with it, has only resulted by virtue of the reputation of the Complainants and their Himalaya Trade Marks and the goodwill attaching to such trade marks.

3.11 It is further contended that the Disputed Domain Names are identical and/or similar to the domain names controlled by the Complainants and their subsidiaries. It is submitted that the registration of the Disputed Domain Names by the Registrant was done purposefully to maintain an undue competitive link to the Complainants' reputation and goodwill, and the Himalaya Trade Marks.

3.12 The use of the Disputed Domain Names by the Registrant will lead to confusion of the public and business, will infringe the rights of the Complainants associated to the Himalaya Trade Marks and will lead to passing-off of the Complainants' reputation and goodwill attaching to the Himalaya Trade Marks.

3.13 The Complainants submit that they are aggrieved by the registration of the Disputed Domain Names. The registration of the Disputed Domain Names and demand for payment are actions which, in their view, are indicative of abusive registrations as contemplated in terms of Regulation 4(1)(a)(i) and 4(1)(a)(iv).

4. Registrant's contentions

4.1 Below is a summary of the Registrant's contentions.

- 4.2 The Registrant submits that the Disputed Domain Names are not abusive registrations⁶ as they were not registered in a manner, which at the time registration took place [emphasis by Registrant], took unfair advantage of or were unfairly detrimental to the Complainants rights. The Registrant submits that the Disputed Domain Names were registered defensively with the sole intention of protecting the legitimate and consented usage of the Complainants' intellectual property. It is, therefore, submitted that they were registered by her as a means of protecting the *himalayaherbals.co.za* and *himalayawellness.co.za* domains from unauthorised competition from third parties who may choose to compete with her business by registering similar domains.
- 4.3 The Registrant further submits that she contracted with the Complainants to independently establish, design, manage, operate and own an online business using the *himalayaherbals.co.za* and *himalayawellness.co.za* domains with the promise of support and exclusivity. This, it is submitted, was done due to the Registrant's relationship with Mr. Thomas and her skills in running online sales platforms, which included preventing other unauthorised persons from competing with her business. It is further submitted that, in so doing, the Complainants consented to her use of their intellectual property. I pause to note that no written document was provided to evidence such an agreement.
- 4.4 The Registrant denies any allegations of passing-off or breach of the Complainant's intellectual property rights as she merely sold goods purchased from the Complainants themselves, and sold them, much the same as other clients of the Complainants in South Africa, namely Faithful to Nature, Wellness Warehouse, Clicks, and Dischem were doing.
- 4.5 It is submitted that these domain name registrations were done to prevent third parties from registering competing domain names, in accordance with her duty to promote and protect her legitimate commercial interest in her website, and that of the Complainants, by ensuring that no other competing businesses could be established, thereby ensuring that her independently

⁶ Regulation 3(1)(a).

established website could continue to provide a secure and successful distribution, marketing and consumer education channel for the Complainants products.

4.6 It is further submitted that, prior to being made aware of the complaint, the Registrant has:

4.6.1 used the domain names, *himalayaherbals.co.za* and *himalayawellness.co.za*, in connection with a good faith offering of goods under the Himalaya Trade Marks of the Complainants, such that these legitimate and consented usages of the Complainants Himalaya Trade Marks remain protected from third parties;

4.6.2 been and is legitimately connected with a mark which is identical or similar to the domain name on the basis that consent for the *himalayaherbals.co.za* and *himalayawellness.co.za* domain names were sought, and approval given for such use for the past 6 years, which needed to be protected from third party abuse;

4.6.3 made legitimate fair use of the domain names having obtained the abovementioned consent and at all times material thereto, acted independently from the First Complainant;

4.6.4 been acting in accordance with a contract, the details of which were that:

4.6.4.1 she would be indefinitely authorised to establish an online business for the sale of Himalaya Products, using the Disputed Domain Names and register a company called Himalaya Herbals (Pty) Ltd;

4.6.4.2 the online business belonged entirely to her, and no shareholding, management backend support or any control would be exercised over the business by the Complainants;

4.6.4.3 she would be given exclusivity in running the online business; and

4.6.4.4 she, through her own efforts and business, with the support of the Complainants, would work towards establishing and promoting the Complainants' business presence in the South African online market.

- 4.7 The Registrant admits that the Complainants hold registered rights in the HIMALAYA HERBALS trade mark and that the registered trade mark is identical to the Disputed Domain Names.
- 4.8 The Registrant made much about the previous dealings between her and Mr. Thomas which lead to the registration of the Himalaya Herbals (Pty) Ltd company and the *himalayaherbals.co.za* and *himalayawellness.co.za* domains. However, this company and the domains do not concern the subject matter of this complaint and repeating the submissions will render this adjudication unnecessary prolix. I will, however, highlight those matters of relevance which have specific reference to the Disputed Domain Names, which is the subject matter of this complaint.
- 4.9 The Registrant submits that the Complainants consented to her utilising their intellectual property indefinitely as she was supposed to head up and drive that side of their business, without being directly employed by the Complainants.
- 4.10 The Registrant admits that she was provided with a marketing budget by the First Complainant to grow the Complainants market presence and did so until mid-2021.
- 4.11 The Registrant confirms that from the end of 2017 she became an independent distributor of the Complainants' Himalaya Products in South Africa. Despite being an independent distributor of the Complainants' Himalaya Products, the Registrant submits that Mr. Thomas assured her that she would be the only online store providing Himalaya Products in South Africa, and that she would not have contracted with the Complainants if this was not the case.

5. Complainant's Reply

- 5.1 Below is a summary of the Complainants' Reply.
- 5.2 The Complainants deny that it provided the Registrant with verbal consent to use the Himalaya Trade Marks indefinitely. The Complainants further submit that it is implausible and cannot be believed that a corporation, with a global footprint, would allow a single distributor of its Himalaya Products to have such an extraordinary right, whilst such a corporation has no equity or benefit in the said distributor. It is further submitted that even if the Complainants did provide their verbal consent for the Registrant to use the Himalaya Products, which they deny, such consent has since been revoked.
- 5.3 It is further submitted that the Registrant is confusing the First Complainant's willingness to supply her with genuine Himalaya Products at a favourable price, with having consented to her indefinite use of the Himalaya Trade Marks.
- 5.4 It is submitted that the Registrant has failed to indicate from whom exactly she obtained the alleged consent to use the Himalaya Trade Marks and whether an authorised representative of the Second Complainant (as the proprietor of the Himalaya Trade Marks) agreed to provide consent to such use.
- 5.5 The discussions that took place between the Registrant and the Complainants concerned retaining the Registrant to assist in managing the website and the Registrant would have been paid the cost of registration and maintenance of the domains incurred thus far. The Complainants were not, however, interested in purchasing the Registrants company as they already trade and operate within the South African market.

6. Discussion and Findings

- 6.1 Point in limine

- 6.1.1 Before I deal with the matter on whether the Disputed Domain Names constitute abusive registrations, it is necessary to first deal with the point *in limine* raised by the Registrant in her Response.
- 6.1.2 The Registrant submits that this forum does not possess the necessary jurisdiction to hear this matter or make a finding concerning the Disputed Domain Names as the dispute surrounding the Disputed Domain Names concerns a contractual dispute.
- 6.1.3 I note that this forum derives its powers and authority from statute, specifically the provisions of the Electronic Communications and Transactions Act, 25 of 2002 (herein "**ECTA**") as read with the Regulations and SAIPL's Supplementary Procedure.
- 6.1.4 Chapter 10 of the ECTA regulates all matter concerning domain name authority and administration. The Minister, in consultation with the Minister of Trade and Industry, must make regulations for an alternative mechanism for the resolution of disputes in respect of the .za domain name space.⁷ These regulations were promulgated under the Alternative Dispute Resolution Regulations, published under Government Notice R1166 in Government Gazette 29405 on 22 November 2006, and as amended by GN 1228 in GG 39504 of 11 December 2015, and GN 1246 in GG 41237 of 10 November 2017.
- 6.1.5 Regulation 2(1) in turn provides that the application of the Regulations may include everything provided for under section 69(3) of the ECTA,⁸ in connection with a domain name dispute between a complainant and a registrant over the registration and use of an Internet domain name registered in specific second level domains in the .za domain name space.

⁷ Section 69(1), as read with section 94, of the ECTA.

⁸ "The regulations may prescribe (a) procedures for the resolution of certain types of disputes determined in the regulations and which relate to a domain name registration; (b) the role which the Authority must fulfil in administering the dispute resolution procedure; (c) the appointment, role and function of dispute resolution adjudicators; (d) the procedure and rules which must be followed in adjudicating disputes; (e) unlawful actions or activities in respect of domain names, distinguishing between criminal and civil liability; (f) measures to prevent unlawful actions or activities with respect to domain names; (g) the manner, costs of and time within which a determination must be made; (h) the implementation of determination made in terms of the dispute resolution procedure; (i) the limitation of liability of registrars and registries for implementing a determination and (j) the enforcement and publication of determination."

6.1.6 The complaint which has been placed before this forum concerns an adjudication on whether the Disputed Domain Names constitute an abusive domain name registration as defined.⁹ This dispute falls squarely within the powers of adjudication conferred on this forum. Whether a contractual dispute has been made out or exists, as alleged by the Registrant, is not for this forum to determine or decide. The evidence tendered by the Registrant has in any event not served to make out a sufficient case to suggest otherwise.

6.1.7 As such, I confirm that this forum has the necessary jurisdiction to entertain and adjudicate this matter.

6.2 Abusive registration

6.2.1 In terms of Regulation 1, an abusive registration means a domain name which either:

6.2.2.1 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

6.2.2.2 has been used in a manner that takes unfair advantage of or is unfairly detrimental to the complainant's rights.

6.2.2 An indication is given in the Regulations as to what could be considered an abusive registration. In terms of Regulation 4(1), such factors include:

6.2.2.1 circumstances indicating that the registrant has registered or otherwise acquired the domain name primarily to:

6.2.2.1.1 sell, rent or otherwise transfer the domain name to a complainant or to a competitor of the complainant, or any third party, for valuable consideration in excess of the registrant's unreasonable out-of-pocket expenses directly

⁹ Regulation 1.

associated with acquiring or using the domain name;

6.2.2.1.2 block intentionally the registration of a name or mark in which the complainant has rights;

6.2.2.1.3 disrupt unfairly the business of the complainant; or

6.2.2.1.4 prevent the complainant from exercising his, her, its rights;

6.2.2.2 circumstances indicating that the registrant is using, or has registered, the domain name in a way that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the complainant;

6.2.2.3 evidence, in combination with the other circumstances indicating that the domain name in dispute is an abusive registration, that the registrant is engaged in a pattern of making abusive registrations;

6.2.2.4 false or incomplete contact details provided by the registrant in the Whois database; or

6.2.2.5 the circumstance that the domain name was registered as a result of a relationship between the complainant and the registrant, and the complainant has:

6.2.2.5.1 been using the domain name registration exclusively; and

6.2.2.5.2 paid for the registration or renewal of the domain name registration.

6.2.3 An indication is also given as to what would not be an abusive registration. In terms of Regulation 5, factors which may indicate this include:

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- 6.2.3.1 before being aware of the complainant's cause for complaint, the registrant has:
- 6.2.3.1.1 used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services;
 - 6.2.3.1.2 been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name; or
 - 6.2.3.1.3 made legitimate non-commercial or fair use of the domain name;
- 6.2.3.2 the domain name is used generically or in a descriptive manner and the registrant is making fair use of it; and
- 6.2.3.3 that the registrant has demonstrated fair use, which use may include websites operated solely in tribute to or fair criticism of a person or business: Provided that the burden of proof shifts to the registrant to show that the domain name is not an abusive registration if the domain name (not including the first and second level suffixes) is identical to the mark in which the complainant asserts rights, without any addition.
- 6.2.4 In terms of Regulation 9(1)(a), one of two outcomes is possible in the case of a complaint that the domain is an abusive registration: refusal of the dispute, or transfer of the disputed domain name to the complainant.
- 6.2.5 To succeed in this complaint the Complainant must prove, on a balance of probabilities,¹⁰ that:
- 6.2.5.1 it has rights in respect of a name or mark which is identical or similar to the domain name; and

¹⁰ Regulation 3(2).

6.2.5.2 the domain name, in the hands of the Registrant, is an abusive registration as defined.¹¹

6.3 The first question is whether the Complainants have 'rights' in the HIMALAYA mark. This must be answered in the affirmative, if only by virtue of its Himalaya Trade Mark registrations. The Registrant has not contested this. In fact, the Registrant expressly confirms this.¹²

6.4 The Complainant has also asserted that it has common law rights in and to the HIMALAYA mark, with descriptors like "Wellness" and "Herbals". As mentioned, the Complainants claim that it has made extensive use of the HIMALAYA mark with these wordings for nearly 90 years, and at least since May 2006 in South Africa. The scope of such use in South Africa is to an extent contested by the Registrant, as she is of the view that the Complainants brand had little to no exposure in South Africa before their dealings in 2016, and that she attended to build the reputation of the HIMALAYA brand over the past 6 years. Even if this is accepted, any use made by the Registrant, if it is accepted that such use was made under the umbrella of the alleged verbal consent provided by the Complainants, would in any event accrue to the Complainants as the owners of the intellectual property rights vesting in the Himalaya Trade Marks. In the alternative, in the evidence provided by the parties, the Registrant is described as, *inter alia*, the Complainants' "distributor of choice". On that version it follows that the Registrant could never, in law, acquire any common law rights in the trade marks used in the distribution and marketing of the Himalaya Products. The Registrant has made several submissions to support her claim that a considerable reputation has built up in and to the Himalaya Trade Marks, and that goodwill attaches to the marks. The common law rights in and to the Himalaya Trade Marks belong to the Complainants even on the Registrant's own version.

6.5 The next question to consider is whether the domain names are identical or similar to the Himalaya Trade Marks. I find it unnecessary to apply any further

¹¹ Regulation 3(1)(a).

¹² Paragraphs 13, 14, 16, and 18 of the Registrant's Response.

tests in ascertaining whether the Disputed Domain Names are identical or similar to the Himalaya Trade Marks, or the marks in which the Complainants claim common law rights in, as the Registrant has already conceded that they are identical.¹³ In so far as it may be necessary, I find that the Disputed Domain Names are for all intents and purposes identical to the Himalaya Trade Marks.

- 6.6 The next question to consider is whether the Disputed Domain Names, in the hands of the Registrant, is an abusive registration.
- 6.7 I have already provided indications above of what could be considered an abusive registration.
- 6.8 The Disputed Domain Names were registered by the Registrant whilst she was acting as a distributor of choice for the Complainants' Himalaya Products. No evidence has been tendered to suggest that any rights were assigned to, or made over to, the Registrant, either written or verbally. At best, although denied by the Complainants, the Registrant was allowed (provided with verbal consent) to sell genuine Himalaya Products acquired from the Complainants, and to advertise the sale of these genuine goods for the purpose of contributing towards the reputation and goodwill which attaches to the Complainants Himalaya Trade Marks, where all such rights accrue to the rights holder, namely the Complainants. Even if verbal consent was provided by the Complainants to the Registrant to use the Himalaya Trade Marks in the sale of the Himalaya Products, such verbal consent has since been withdrawn.
- 6.9 The Registrant submits that the Disputed Domain Names were registered defensively to prohibit third parties from registering these domain names and to protect the rights of the Complainants in South Africa. The Disputed Domain Names were, however, registered without the knowledge or consent of the rightsholder, i.e. the Complainants. I pause to note that there is no evidence to suggest that at any time was the Registrant required to actively attend to the protection of the Complainants intellectual property rights in

¹³ Paragraph 18 of the Registrant's Response.

South Africa. Such actions, in my view, have only been done in an effort to protect the Registrant's own interests. The Registrant's submissions in this regard is further called into question where other resellers like Faithful to Nature, Dischem, Clicks, and Wellness Warehouse were actively selling Himalaya Products online during the same period when the Registrant was selling these goods. It is also for this reason that I cannot accept the Registrant's contention that the Complainant provided her with an indefinite exclusive license to market and sell the Himalaya Products online in South Africa, where other businesses in South Africa were also selling these products with the consent of the Complainant. Such license would bar even the Complainant from entering the market.

- 6.10 It is also further submitted by the Registrant that the Disputed Domain Names are dormant, were only registered as a defensive measure, and are not currently active or being used in the conventional sense. The 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, and may also be indicative of a bad faith registration.¹⁴ The Disputed Domain Names, if used by the Registrant or any other person, has the potential of not only disrupting and potentially damaging the reputation and business of the Complainant, but will amount to trade mark infringement and passing-off.
- 6.11 The Complainant submit that the Disputed Domain Names in the hands of the Registrant constitute an abusive domain name registration based on Regulation 4(1)(a)(i) and 4(1)(a)(iv).
- 6.12 With reference to Regulation 4(1)(a)(i), it has already been noted that the Registrant is only willing to transfer the Disputed Domain Names for an amount in excess of the reasonable out-of-pocket expenses directly associated with acquiring or using the domain names. The Registrant, it appears, is only willing to transfer the Disputed Domain Names as part of a bundle, which includes the sale of her business, other domain names and social media pages and accounts, for a total consideration of USD\$ 868

¹⁴ *Telstra Corporation Limited v Nuclear Marshmallows* (WIPO/D2000-0003); *Hexagon v Xspect Solutions Inc* (WIPO/D2005-0472); *Mondich & American Wine Biscuits Inc v Brown* (WIPO/D2000-0004).

000.00. This amount, although it includes various other components, and because the Registrant will only sell the Disputed Domain Names as part of a package, is in my view, in excess of the reasonable out-of-pocket expenses directly associated with acquiring or using the Disputed Domain Names.

6.13 With reference to Regulation 4(1)(a)(iv), the Complainants submit that the Disputed Domain Names have been registered by the Registrant to prevent the Complainants from exercising their rights. It has already been admitted by the Registrant above that the Disputed Domain Names are identical to the Himalaya Trade Marks held by the Complainants. Even if the intention of the Registrant was to register the Disputed Domain Names primarily to prevent third parties from competing with her business, the domain name registrations also, inadvertently, bar the Complainants from exercising their rights to register and use the Disputed Domain Names.

6.14 I am, therefore, satisfied that the Disputed Domain Names are to be considered abusive.

6.15 The Registrant contends that it has used the domain names, *himalayaherbals.co.za* and *himalayawellness.co.za*, in connection with a good faith offering of goods under the Himalaya Trade Marks of the Complainants, such that these legitimate and consented usages of the Complainants Himalaya Trade Marks remain protected from third parties.¹⁵ This assertion, it would appear, is made with reference to Regulation 5(a)(i), which serves to show that a domain name registration may under such circumstances be deemed not to be an abusive registration. However, no similar submissions have been made with regards to the Disputed Domain Names. In fact, the Registrant admits that the Disputed Domain Names were only registered as a defensive strategy, with no immediate intention to use them.

6.16 The Registrant has not, therefore, brought itself within the ambit of the exclusions in Regulation 5.

¹⁵ Paragraph 16.1 of the Registrant's Response.

7. Decision

7.1 In the circumstances, my finding is that the Disputed Domain Names are abusive. The complaint is upheld, and I order that the domains be transferred to the Second Complainant, the rights holder in terms of the evidence submitted.

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