

Decision

ZA2022-0458

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2022-0458
DECISION DATE:	4 January 2023
DOMAIN NAME	TOYOTAENGINES.CO.ZA
THE DOMAIN NAME REGISTRANT:	ENGINE DEN CC
REGISTRANT'S LEGAL COUNSEL:	HAHN & HAHN
THE COMPLAINANT:	TOYOTA SOUTH AFRICA MOTORS (PTY) LTD
COMPLAINANT'S LEGAL COUNSEL:	RAHMAN & RAHMAN INC
2 nd LEVEL ADMINISTRATOR:	ZA Registry Consortium (CO.ZA)

1. Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAI IPL") on **21 September 2022**. On **23 September 2022** the SAI IPL transmitted by email to ZA Registry Consortium (ZARC) a request for the registry to suspend the domain name at issue, and on **23 September 2022** ZARC confirmed that the domain name had indeed been suspended.
- b) In accordance with the Regulations, the SAI IPL formally notified the Registrant of the commencement of the Dispute on **28 September 2022**. In accordance with the Regulations the due date for the Registrant's Response was **26 October 2022**. The Parties entered into settlement discussions and subsequently, the due date for the Registrant's response was extended until **16 November 2022**. [The Registrant submitted its Response on **16 November 2022**]. The SAI IPL informed the Registrant's representative of a deficiency in the Registrant's Response. On **17 November 2022** the Registrant submitted an amended Response and the SAI IPL verified that the Response satisfied the formal requirements of the Regulations and the SAI IPL's Supplementary Procedure. The SAI IPL forwarded a copy of the Response to the Complainant on **17 November 2022**.
- c) In accordance with the Regulations the due date for the Complainant's Reply was **24 November 2022**. An extension of the due date was obtained by the Complainant and the new due date was **1 December 2022**. The Complainant submitted its Reply on **29 November 2022**.
- d) The SAI IPL appointed **Vanessa Ferguson** as the Adjudicator in this matter on **13 December 2022**. The SAI IPL appointed Adriaan Heyns as Trainee Adjudicator in this matter on **13 December 2022**. The Adjudicator and Trainee Adjudicator both 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

- 2.1 The contested domain name <toyotaengines.co.za.> was registered on 2 November 2011. The Registrant is Engine Den CC of 311 Stephenson Road, Pretoria West, Pretoria, 0183, hereinafter referred to as "*the Registrant*".
- 2.2 The contested domain name is currently re-directed to the domain name engineden.co.za, and the active website of the Registrant being www.engineden.co.za, on which it advertises its goods and services as "*importers and exporters of new and used engines, gearboxes, generators and motor spares*".
- 2.3 The Complainant is Toyota South Africa Motors (Pty) Ltd, commonly known as "Toyota South African Motors" locally. The Complainant is wholly owned and managed by Toyota Jidosha Kabushiki Kaisha ("Toyota Motor Corporation").
- 2.4 Toyota Motor Corporation is the proprietor in South Africa, of various trade mark registrations for the word and text TOYOTA. In its complaint, the Complainant refers to the trade mark registered on 8 April 1970, covering "*motor vehicles of all kinds; apparatus for locomotion by land and parts of and accessories for all the foregoing*". The details of this registration has not been included in the complaint and instead, the Complainant attaches the extract generated by CIPC for the South African trade mark registration no 2015/31005 **TOYOTA** in class 36 covering "*Insurance; financial affairs; monetary affairs; real estate affairs; commercial, retail and residential real estate services; management, administration and leasing of commercial, retail and residential real estate; real estate, leasing and rental services provided and conducted in relation to apartments, serviced apartments, villas, offices, spas, resorts, golf courses, marinas, hotels, industrial estates, shopping malls and shopping villages; tenant management services*".

management of rental apartments and villas; real estate brokerage services; real estate appraisal services; property fund services; property finance services; property evaluation services; property management services and property portfolio management services; property investment services; property brokerage services; property insurance services; land development services; land acquisition services; appraisal, selection and acquisition of real estate for development and Investment; acquisition of land to be let."

- 2.5 The Complaint includes, as Annexure "C", extracts of CIPC Ptolemy Trade Mark Search conducted on 1 August 2022, detailing various trade marks incorporating the word TOYOTA in the name of Toyota Motor Corporation. The Complainant also contends that TOYOTA is a well-known brand.
- 2.6 The Complainant is a party to the Toyota Distributor Agreement (the Agreement") with Toyota Motor Corporation, which agreement was signed in January 2019. A complete copy of the Agreement is not included in the complaint due to the confidential nature of the agreement.
- a. In terms of Article 2 of the Agreement, the Complainant is granted an exclusive distributorship of the Toyota products in *inter alia* South Africa.
 - b. In terms of Article 7 of the Agreement, the Complainant is *inter alia*:
 - i. granted a non-exclusive right to use the Toyota trade marks and service marks relating to the Toyota products, solely in connection with the distribution, sales, and service thereof in the Territory.
 - ii. The Complainant derives its right and usage of the trade mark from the Agreement.
 - iii. may permit Dealers (as defined in Article 18) to use the trade marks within the limit of the right granted, provided that the Complainant shall impose on the Dealers and cause

them to comply with, obligations substantially identical to those imposed by the Company on the Complainant.

- iv. The Complainant further contends that in terms of the Agreement, it has an express duty to protect the Toyota trade marks from any abuse or offensive usage, in that the Complainant shall continuously monitor in the Territory any infringement or potential infringement.

2.7 The Complainant contends that it is also the proprietor of the following trade marks:

- **TOYOTA OPTIMAL DRIVE**
- **TOYOTA NO WORRIES**
- **TOYOTA EXPRESS SERVICE**; and
- **TOYOTA BUSINESS SCHOOL.**

The full details of the abovementioned trade marks were not provided in the papers.

2.8 The Complainant is the registrant of the **toyota.co.za** domain name. The website www.toyota.co.za is a popular website with a high traffic rate.

2.9 The Registrant is Engine Den CC. The Registrant is an imported and exporter of new and used engines and other car parts, motor spares and generators.

2.10 On 9 March 2021 the Complainant sent a letter of demand to the Registrant, demanding that the Registrant refrain from using the domain.

3. Parties' Contentions

3.1 Complainant

- a) The Complainant contends that the registrant is not an authorised dealer, as defined in the Agreement, or has any relation to the Complainant.
- b) The Complainant contends that the usage of the domain name by the Registrant is a clear abuse of the registration.
- c) The name and brand Toyota is synonymous with the Complainant and products either made/produced or supplied by the Complainant. The Complainant contends that Toyota is a household name which can and is only associated with the motor industry and that it is not associated with any other company than those which may offer after-market support.
- d) The domain in question misleads consumers to believe that they are visiting a website associated with the Complainant, however the Registrant has no link with the Complainant, save for the fact that they may provide after-market service on the Complainant's products.
- e) The Complainant does sell and produce Toyota Engines, which is a core part of its business as part of the production and sale of motor vehicles includes engines together with engine parts.
- f) The Complainant contends that the use and registration of the disputed domain name is likely to deceive consumers that the Registrant is connected to the Complainant or Toyota Motor Corporation.
- g) The Complainant contends that merely linking Toyota Motor Corporation's **TOYOTA** trade mark with the word ENGINE, and that this use by the Registrant creates the false impression that the Registrant is in some way associated with or connected to the Complainant and/or Toyota Motor Corporation.

- h) The Complainant contends that the Registrant's use of redirecting web traffic from the disputed domain name to its website, www.engineden.co.za, amounts to passing-off.
- i) The Complainant does not identify whether this dispute is brought on the basis of an abusive or offensive registration. However, in light of the submissions of the Complainant, it is clear that the basis of the Complainant's dispute is based on the disputed domain name being an abusive registration.
- j) The Complainant contends that its own domain name and website, toyota.co.za and www.toyota.co.za respectively, is central to this dispute.
- k) The Complainant contends that the disputed domain name, which creates a link between the word ENGINE and the **TOYOTA** trade mark, will create the impression that the website used by the Registrant is in some way endorsed by the Complainant and/or Toyota Motor Corp, when this is not the case.
- l) The Complainant contends that notwithstanding the fact that the Registrant used the disputed domain name to sell second hand engines and goods, it does not only sell **TOYOTA** goods, and that this is potentially detrimental to the Complainant's reputation.
- m) The Complainant contends that the Registrant's conduct amounts to misleading commercial speech.

3.2 Registrant

- a) The Registrant contends that it is an importer and exporter of inter alia, new and used engines, gearboxes, generators, and motor spares. In particular, the Registrant contends that it sells genuine second-hand **TOYOTA** engines.

- b) The Registrant contends that the disputed domain name is used in relation to the promotion and sale of genuine **TOYOTA** engines, that are unchanged by the Registrant.
- c) The Registrant contends that the contested domain name is not an abusive domain name in that:
 - a. In terms of Section 34(2) of the Trade Marks Act (194 of 1993), "*a registered trade mark is not infringed by... (d), the importation into or the distribution, sale or offering for sale in the Republic of goods to which the trade mark has been applied by or with the consent of the proprietor thereof*".
 - b. When the TOYOTA engines were sold, an irrevocable authority was granted to use the trade mark TOYOTA in respect of the engines.
 - c. The engines were intended for resale or exchange in the course of trade, and the TOYOTA trade mark does no more than indicate that they emanate from the proprietor of the trade mark.
- d) The Registrant contends that the **TOYOTA** goods it sells via its website are unaltered goods and as such, any such sales and use falls within the ambit of exhaustion of rights and does not amount to trade mark infringement.
- e) The Registrant contends that it never made any misrepresentations that the **TOYOTA** goods sold by it are new or that the Registrant is an authorised distribution point. Accordingly, the Registrant contends that by the very nature of the goods involved and the industry, customers would not be deceived into believing that the products are new.

- f) The Registrant contends that the use and registration of the disputed domain name does not constitute an abusive registration. In support of this, the Registrant make the following contentions:
- The use of the **TOYOTA** trade mark on the genuine unaltered engines does not amount to trade mark infringement.
 - The use of the disputed domain name, which domain name is descriptive in nature, in relation to the selling of genuine unaltered second-hand **TOYOTA** engines and parts does not abuse any of the Complainant's rights.
 - The Registrant made no attempt to sell the domain name to the Complainant.
 - The Registrant is not a party to the Toyota Distribution Agreement that the Complainant cited in its papers.
 - The principle of exhaustion of rights is applicable to this matter.

4. Discussion and Findings

- a) In order to succeed under Regulation 3(1)(a), the Complainants are required to prove, on a balance of probabilities, that:
- They have rights in respect of a name or mark.
 - The name or mark is identical or similar to the contested domain name; and
 - The domain name in the hands of the Registrant is an abusive registration.

For the reasons set out below, it is the view of the Adjudicator that the contested domain name is contrary to the proven rights of the Complainants and amounts to an abusive registration in the hands of the Registrant, and the Adjudicators' reasoning is discussed below.

4.1 Complainant's Rights

4.1.1 The terms "rights" and "registered rights" are broadly defined in Regulation 1 to include, *inter alia*, intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law but is not limited thereto. It is clear that dispute procedures are open to parties owning not just strict trade mark rights and include scenarios where an interest can be shown in issues arising from the disputed domain name.

4.1.2 The Complainant relies on the TOYOTA trade marks registered in South Africa in the name of Toyota Jidosha Kabushiki Kaisha (also Trading as Toyota Motor Corporation). The statutory rights in and to the TOYOTA trade marks are not contested by the Registrant. The Complainant relies upon one extract from the Register of trade marks related to the TOYOTA trade mark registered in class 36, which the Adjudicator accepts as *prima facie* evidence of the alleged registered trade mark rights. Although no additional extracts from the Register of Trade Marks as evidence of registrations are provided, the Complainant includes the copy of the CIPC Ptolemy Trade Mark Search dated 1 August 2022, containing details of the trade marks registered in South Africa in the name of Toyota Motor Corporation. Although full details of these trade marks are not provided in the Complaint, the correctness of the search is not contested by the Registrant and the Adjudicator accepts as *prima facie* evidence of the alleged registered trade mark rights existing on the Trade Marks Office records.

4.1.3 The Complainant is furthermore a party to the Toyota Distribution Agreement, any in terms of this Agreement, the Complainant is appointed as the exclusive distributor of Toyota Products in *inter alia* South Africa. The Agreement furthermore affords the Complainant the rights to use the Toyota trade marks registered by the Toyota

Motor Company (also referred to as “the Company” in the Agreement). Furthermore, in terms of the Agreement, there is a responsibility on the Complainant to continuously monitor in the territory any infringement or potential infringement of the trade marks by any third party and (ii) the trade marks of any third party by the Toyota Products. In terms of the provision, in the event that the Complainant becomes aware of any such infringement or potential infringement, the Complainant is to either assist the Toyota Motor Company in taking all necessary and advisable measures to protect the Company and/or their rights to the trade marks, or take appropriate defensive measures to against any complaint about alleged infringement, in accordance with the instructions given by the Company.

- 4.1.4 The Complainant also asserted that it is the registrant of the domain name Toyota.co.za, with an average of 380 000 (three hundred and eighty thousand) visitors a month. This too has not been contested by the Registrant.
- 4.1.5 The Complainant has also asserted common law rights arising from its use of the TOYOTA trade mark on its website. The evidence submitted by the Complainant in support of its assertions is not contested by the Registrant in its Response and the Adjudicator is satisfied that this evidence shows, *prima facie*, that the Complainant enjoys commercial rights in the TOYOTA name and mark in relation to motor vehicles, and parts and accessories for the foregoing.
- 4.1.6 The disputed domain name TOYOTAENGINES.CO.ZA wholly incorporates the TOYOTA trade mark and the additional element in the disputed domain name, namely the word ENGINE, is descriptive. The memorable and dominant feature of the disputed domain name remains the word TOYOTA. There are many WIPO UDRP decisions confirming that where a domain name wholly incorporates a

registered trade mark of the Complainant, it is sufficient to establish confusing similarity despite the addition of any other matter to the trade mark. In support hereof, see Barloworld Africa (Pty) Limited v David Godfrey [ZA2012-0120] and Telcom SA Limited Cool Ideas 1290 CC [ZA2007-0003] as well as the international decisions referred to therein, as well as WIPO UDRP Case No. D2000-0096.

4.1.7 The Adjudicator finds that, as the trade mark TOYOTA remains recognisable, the Disputed Domain Name is confusingly similar to the trade mark. The test here is simply similarity, which involves a lower standard of comparison. See Capitec Bank Limited v Capstone Property Holdings (Pty) Ltd [ZA2017-00285]

4.1.8 For all of the above reasons, the Adjudicator consequently finds that the Complainant has rights in respect of a name or mark TOYOTA which is similar to the disputed domain name **toyotaengines.co.za**.

4.2 Abusive Registration

4.2.1 In terms of Regulation 3(1) the Complainant has to show that the Disputed Domain Name in the hands of the Registrant is abusive registration. An abusive registration is defined in terms of Regulation 1 as a domain name that 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 has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

4.2.2 Various decisions, such as Federation Internationale De Football Association (FIFA) vs. X Yin [ZA2007-0007], have held that a positive intention to abuse the rights of the Complainant is not necessarily required. It is sufficient that the effect or consequence is such that the Complainant's rights are abused.

4.2.3 The Registrant is using the disputed domain name to re-direct traffic to its site **engineden.co.za**. The Registrant does not advise why it does so. The re-direct of traffic to its site is not in itself abusive, but for such use to be legitimate, the registrant must be offering the actual goods or services 'invited' by the name; and the site must be used to sell only such goods; and the potential for bait and switch was sufficient to constitute 'abuse' whether, in practice this was effected or not. In support hereof, see Brother International SA (Pty) Ltd v Stergios Strakas [ZA2020-0396] as well as the UDRP decisions referred to therein, Oki Data (WIPO D2001-0903) and also in mercedesshop (WIPO D2008-1712) and One in a Million Ltd and Others v British Telecommunications PLC and Others [1999] FSR 1 CA. (See also www.nominet.org.uk/disputes/caselaw/index/million/millionjudge where the decision is reproduced.)

4.2.4 In considering the Registrant's site **enginden.co.za**, the goods offered for sale are not limited to Toyota Engines, and include goods, such as used engines from other third parties.

5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, **toyotaengines.co.za** be transferred to the Complainant.

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VANESSA FERGUSON

SAIPL SENIOR ADJUDICATOR

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ADRIAAN HEYNS

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