

## **APPEAL DECISION**

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| CASE NUMBER:   | <b>ZA2007-2005</b>  |
| APPEAL NUMBER:                                       | <b>ZAAP2007-0005</b>  |
| DECISION DATE:                                       | <b>21 January 2008</b>  |
| DOMAIN NAME  | <b>phonebook.co.za<br/>whitepages.co.za</b>                           |
| THE DOMAIN NAME REGISTRANT:                          | <b>The Internet Corporation</b>                                       |
| REGISTRANT'S LEGAL COUNSEL:                          | <b>Mr. Michael Silber<br/>Michalsons Attorenyys</b>                   |
| THE COMPLAINANT:                                     | <b>Telkom SA Ltd &amp;<br/>TDS Directory Operations (Pty) Limited</b> |
| COMPLAINANT'S LEGAL COUNSEL:                         | <b>Mr. Gerhard du Plessis<br/>Adams &amp; Adams</b>                   |
| THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR: | <b>UniForum SA (CO.ZA Administrators)</b>                             |

### **1. PROCEDURAL HISTORY**

- 1.1.** The Dispute was filed with the South African Institute of Intellectual Property Law ("SAIPL") on 2 August 2007.
- 1.2.** The Registrant submitted its Response on 11 September 2007, and SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure.

- 1.3. The Complainant submitted its Reply on 20 September 2007.
- 1.4. SAIPL appointed Prof. Tana Pistorius as the initial Adjudicator in this matter on 26 September 2007. The initial Adjudicator rendered her Decision on 22 October 2007.
- 1.5. The Complainant filed its Notice of Intention to Appeal on 30 October 2007 and its subsequent Appeal Notice on 22 November 2007.
- 1.6. The Registrant filed its Appeal Notice Response on 7 December 2007.
- 1.7. SAIPL appointed Mr D Momberg, Adv O Salmon and Mr A van der Merwe as the Adjudication Panel to preside over this Appeal matter on 13 December 2007. The presiding Adjudicator is Mr A van der Merwe.
- 1.8. In view of the intervening holiday period, SAIPL granted the Adjudication Panel an extension until 21 January 2008 to hand down its Appeal Decision.

## 2. **FACTUAL BACKGROUND**

- 2.1. The First Complainant is a South African public company being the only entity that presently renders landline telephone and communications services to users in South Africa, and the Second Complainant is a South African private company. The First Complainant is the proprietor of three South African trade mark registrations viz 1996/06591, 1996/06592 and 1996/06593 for THE PHONE BOOK LOGO in classes 16, 35 AND 38 (hereinafter referred to as "the registered trade mark"). This trade mark comprises the words "THE PHONE BOOK" in a stylised form, and which is the prominent feature of the mark; the words "DIE FOONBOEK" in much smaller script underneath, and some embellishment.

**2.2.** The Second Complainant publishes telephone directories for use in various regions and provinces in South Africa on an annual basis, using the registered trademark under licence from the First Complainant on the front cover of such directories. The registered trade mark appears on the cover of such directories, and the words "phone book" appear on the cover and spine.

**2.3.** A disclaimer is endorsed in the Register in respect of the registered trade mark, to the following effect:

*"Registration of this trade mark shall give no right to the exclusive use of the word PHONE, or of the word FOONBOEK, or of the word BOOK, each separately and apart from the mark. The trade mark is shown in the English and Afrikaans versions, being two of the official languages, in which it is or will be used, the two versions represented having equivalent meanings. In practise, both versions of the trade mark will be used either separately or together, but when used together they will not necessarily be in close approximation one to the other."*

We address the impact of this disclaimer hereunder.

**2.4.** The Registrant registered the domain names phonebook.co.za and whitepages.co.za on 28 May 2002.

**2.5.** The basis of the objection against the domain names is that the registrations are abusive. The First Complainant claimed rights in the mark THE PHONE BOOK and in the mark THE WHITE PAGES, to substantiate its objections. In addition to its registered entries, it submitted evidence of use of the registered trade mark and of the mark THE WHITE PAGES (predominantly being distribution figures of the telephone directories, from 2001 to 2006, in South Africa) in support of a

claim to common law rights in respect of these trade marks. The Adjudication Panel accepts as proved these distribution figures.

- 2.6. In response to the complaint, the Registrant raised *in limine* the fact that the domain names were registered prior to the promulgation of ECTA (and the relevant Regulations). Therefore, so the point was advanced, as the statute does not have retrospective application there is no basis for the complaint. The initial Adjudicator dismissed the point for reasons covered in her judgement. Her decision is not the subject of appeal and it is therefore not necessary to pay it further attention.
- 2.7. The Registrant presented evidence of generic use of the words "phone book" particularly in the context of mobile phones. It also presented evidence (including from the online resource Wikipedia.com) evincing generic reference to, and widespread descriptive usage of, the expression "white pages". We find this evidence impressive.
- 2.8. In its response, the Registrant also emphasized the Complainant's claim to rights in the trade mark as registered, and the marks "THE PHONE BOOK" and "THE WHITE PAGES" (*ergo*, not just "PHONE BOOK" AND "WHITE PAGES").

### 3. **DECISION UNDER APPEAL**

- 3.1. The initial Adjudicator refused the Complaint regarding the domain names, and further held that the Complaint concerning the domain name whitepages.co.za constitutes reverse domain name hijacking. The decision is cited above and is available, and it is not necessary to repeat the *rationes* of the initial Adjudicator in all extents.
- 3.2. In short, the findings of the initial Adjudicator are the following. In respect of phonebook.co.za, the registered trade mark rights are of limited scope, and should be limited to the trade mark as registered. Hence the

registered trade mark was neither identical nor similar to the name phonebook.co.za. In respect of the alleged mark THE PHONE BOOK under common law, the Complainants failed to show that the marks had (by 2002) become distinctive of the First Complainant's business nor had these marks acquired a secondary meaning. The same consideration was applied to the alleged common law trade mark THE WHITE PAGES.

- 3.3.** Accordingly the rights claimed by the Complainants, and required to found the Dispute in terms of Regulation 3(1)(a), were insufficient for the Complainants to succeed. The initial Adjudicator further found that the Registrant has a legitimate interest in the domain whitepages.co.za, and because the Complainants (given that they were professionally advised throughout) brought the Dispute in bad faith.

#### **4. THE PARTIES SUBMISSIONS ON APPEAL**

##### **4.1. COMPLAINANTS**

The Complainants have made the following submissions under Appeal:

- 4.1.1.** The initial Adjudicator misdirected herself as to the effect and scope of the First Complainant's rights arising from its trade mark registrations (a) by having erred in interpreting the effect of the disclaimer entered in respect of the registrations. She should have found that the effect of the disclaimer is merely to limit the First Complainant's rights in respect of the word PHONE on its own or the word BOOK on its own but not in respect of the combination of the two words PHONEBOOK or PHONE BOOK; (b) by having misdirected herself in relying on the relevant passage in Webster & Page – par. 9.18; (c) by having erred in finding that the domain name phonebook.co.za is neither identical nor similar to the registered trade mark; (d) by having erred in finding that the use of the disclaimed features, in combination, ie in the form

PHONEBOOK or PHONE BOOK cannot, and does not, amount to infringement; and (e) by having erred in not finding that phonebook.co.za is an abusive registration.

- 4.1.2.** The initial Adjudicator erred in not finding that The First Complainant had established and demonstrated common law rights in the trade mark PHONE BOOK and that the trade mark had acquired a secondary meaning, based on the evidence submitted in paragraphs 11.1.1.3 to 11.1.1.8 of the Complaint; (b) the initial Adjudicator also misinterpreted, alternatively placed undue reliance on, the information contained in Annexure D 1 to the Complaint (as particularized in paragraphs 2.2.1 to 2.2.3 of the Notice of Appeal); and (c) as a consequence, the initial Adjudicator erred in finding that the Complainants had failed to prove the elements required by Regulation 3(1)(a) and hence that the domain name phonebook.co.za was an abusive registration.
- 4.1.3.** The initial Adjudicator erred in finding that the Registrant had rights and a legitimate interest in the domain name phonebook.co.za by virtue of having been the first to register it.
- 4.1.4.** The initial Adjudicator erred in not ordering the transfer of the domain name phonebook.co.za to the First Complainant in light of the initial Adjudicator's findings (a) that the Registrant had failed to prove demonstrable preparations to use the domain name in connection with the bona fide offering of goods and services; and (b) that the Registrant cannot substantiate a clear lack of bad faith registration and use of the domain name phonebook.co.za.
- 4.1.5.** In respect of the trade mark WHITE PAGES, the initial Adjudicator erred correspondingly as set out in paragraph 4.1.2 above; inter alia for the reason that the WHITE PAGES appears on the front

page of each and every directory published and distributed by the Second Complainant (-see paragraph 11.1.1.5 of the Complaint).

- 4.1.6.** The initial Adjudicator erred in respect of the domain whitepages.co.za correspondingly as set out in paragraph 4.1.3 and 4.1.4 above.
- 4.1.7.** The initial Adjudicator erred in finding that the domain name whitepages.co.za is used in connection with a bona fide offering of goods and services, particularly in light of what is set out in paragraph 6 of the Complainants' Reply.
- 4.1.8.** Consequently the initial Adjudicator erred in not ordering the transfer of the domain name whitepages.co.za to the First Complainant.
- 4.1.9.** The initial Adjudicator erred in finding that: (a) the First Complainant's rights in respect of the words "phone book" separately and apart from the registered trade mark and at common law, have an "inherent weakness" or that the First Complainant must have known of this; (b) the Complainants have not placed sufficient evidence before the initial Adjudicator of use of the mark THE WHITE PAGES; (c) when the Complainants filed the Complaint, they were or had long been, well aware that they could not establish common law trade mark rights in the mark THE WHITE PAGES prior to the registration of the domain name whitepages.co.za or that the Registrant has a legitimate interest in the domain name whitepages.co.za or that there is a clear lack of bad faith in use; (d) the Complainants had no basis on which to assert that the Registrant had no rights to, or legitimate interest in, the domain name whitepages.co.za; (e) the Complainants had no proper objection to the domain name whitepages.co.za; (f) a conclusion is to be drawn that, because the Complainants were

being professionally advised, the Complainants were aware of any of the allegations referred to in this paragraph above; (g) the Complaint was brought in bad faith; and (h) the Complaint constitutes an abuse of the administrative proceedings. Hence the initial Adjudicator erred in reaching a conclusion of reverse domain name hijacking by the Complainants.

#### **4.2. REGISTRANT**

The Registrant has submitted the following Response under Appeal:

- 4.2.1.** Generally, that the Complainants have failed to prove that they have rights in respect of names or marks which are identical or similar to the two domain names phonebook.co.za and whitepages.co.za, and that, in the hands of the Registrant, these domain names are abusive registrations; and the Registrant submits that the onus of proof (on a balance of probabilities) is on the Complainants.
- 4.2.2.** More particularly, and in essence, the Registrant denies the Complainants' submissions set out above.
- 4.2.3.** Still more particularly, in regard to a bona fide offering of goods and services, the Registrant has denied the relevance of paragraph 6 of the Complainants' Reply, and has set out an explanation of the printout from the Internet Archive Wayback Machine (Annexure LT 28 to the Registrant's Response) and its operation and updates over the life-time of the website.
- 4.2.4.** Accordingly, the Registrant requests that the Complainants' Appeal be dismissed.

## 5. DISCUSSIONS AND FINDINGS

- 5.1. An Appeal proceeds on the basis of a full review of the matter (Regulation 11.8). This does not mean that the initial Adjudication Panel must review each and every aspect of the matter, but that the Appeal is not a normal Appeal where the judgment under consideration is presumed to be correct (the onus being on the Appellants to show that it is not). The appeal Adjudication Panel is obliged to consider the matter afresh.
- 5.2. We uphold the initial Adjudicator's decision that the domain names are not abusive within the meaning of the Regulations. We therefore dismiss the appeal, and our reasons are set out in what follows.
- 5.3. However, we disagree with certain findings of the initial Adjudicator and consider it appropriate to set these aside.

## 6. THE PHONE BOOK

- 6.1. The initial Adjudicator held that the registered trade mark is neither identical nor similar to the name phonebook.co.za. The approach to assessing trade marks for confusing similarity is well-established. The question of the likelihood of confusion must be approached using the concept of "global appreciation" and that the "*global appreciation of visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctiveness and dominant components*". See Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199, approved in Bata Ltd v Face Fashions CC 2001 1 SA 844 (SCA). See also Plascon-Evans Paints v Van Riebeeck Paints (Pty) Ltd 1984 3 SA623 (A.)

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- 6.2. We find that the word "phonebook" is broadly "similar" to the registered trade mark of the First Complainant. The dominant feature of the latter dictates that this must be so.
- 6.3. However, that is not the start of the enquiry, which is whether the Complainant has rights. In our view the effect of the disclaimer in the registered trade mark is to deprive the First Complainant of rights in the word FOONBOEK, or the version which has the "*equivalent meaning*", the English expression "PHONE BOOK". As use of a disclaimed feature cannot amount to infringement of registered rights. See (Hollywood Curl (Pty) v Twin Products (Pty) Ltd, 189 1 SA 236 (A) 246I-247A and the discussion in Webster & Page – South African Law of Trade Marks, Fourth Edition, Par 12.8.9. This means that the Complainants do not have rights that can be infringed in the Registrant's use of the domain name. Its entire name is what has been disclaimed.
- 6.4. Lest this interpretation of the endorsed disclaimer is incorrect, we consider that a common law approach arrives at the same result. All the evidence adduced indicates that, if anything, the trade mark registrations are liable to the entry of such a disclaimer of rights in the expression "phone book" - as is the case with the "Foonboek" element of the registrations. In addition to the mentioned mobile phone context, the evidence indicates that multiple third parties use the words PHONE BOOK in a wide variety of commercial and other contexts, to describe and denote a "book" or other listing of telephone numbers that they deal in, that is unrelated to the list of telephone numbers published under the First Complainant's registered trade mark – a circumstance that is also borne out by standard dictionary definitions. See, for example, The Shorter Oxford Dictionary (1993 Edition) that has a sub-entry under "phone" for the word "phone book" reading "a telephone directory".
- 6.5. On the authorities, an express disclaimer of rights in an obviously descriptive term is unnecessary precisely because it is obvious. See

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Heublin Inc v Golden Fried Chicken (Pty) Ltd, 1982 (4) SA 84 (T) at 90; and Cadbury Bros. Ltd's Application (1915) 32 RPC 456 at 462 line 20.

- 6.6. Whether for registered or unregistered marks, descriptive marks or terms inevitably lead to weak rights. In this regard the following was stated in Dunlop Rubber Co. Application (1942) 59 RPC 134 at 157:

*"Some words are so apt for normal description that no trade mark use and momentary distinctiveness can justify a permanent monopoly."*

- 6.7. Endorsing this dictum, the Appeal Court in "Fashion World" (Judy's Pride Fashions (Pty) Ltd v Registrar of Trade Marks 1997 (2) SA 87 TPD at 95 D *et seq*, per Puckrin AJ) stated the following:

*"The question to be answered is whether the conjoining of the words "world" and "fashion" renders the combination distinctive within the meaning of that concept in the Act. I think not. The phrase "Fashion World" is a common English phrase which has two denotations, both of which have laudatory connotation.... In its first denotation therefore, the phrase "Fashion World" conjures up a vision of that part of society typified by leading haute couturiers who conceive of and determine the fashions of the day. They may be said to comprise **the** "world of fashion" or "fashion world". It is, in my view, eminently reasonable to assume that other traders might also wish to associate their wares or services, as the case may be, with the elite who make up the "fashion world". In its second denotation the phrase "fashion world" refers to a "world of fashion". In this denotation the phrase "fashion world" conjures up the vision of a large emporium in which a great diversity of goods may be purchased. In other words it is a hyperbolic statement that the range of wares offered is literally mondial.... It has long been the law that even with evidence of use, it is generally not possible to register a mark that is a "laudatory*

*epithet”, the name of the product, common to trade, or appropriate to describe some attribute of the product....*

*In my view, the phrase "fashion world" is not so obscure so as to render it distinctive in respect of the appellants."*

- 6.8. However, that may not necessarily be the end of the enquiry. In Patlansky & Co. Ltd v Patlansky Bros, 1914 TPD 475 at pp 491-2, Bristowe, J. stated:

*"...Where, however, the name is merely a general descriptive term which anyone is as much at liberty to use as the plaintiff, then in order to obtain an interdict it is necessary to prove that by long user it has acquired a 'secondary meaning' and has come to solely designate the plaintiff's goods ...But this proof is very difficult and in its absence it is well established that the mere use of the same name by another person to describe his own manufacture cannot be complained of."*

- 6.9. To confirm this approach, in Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd, (1946) 63 RPC 39 at p 43, an injunction was refused and such refusal was ultimately confirmed by the House of Lords. Lord Simonds is reported to have said:

*"It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the article to be sold or the services to be rendered."*

- 6.10. There is no evidence to indicate any secondary meaning giving rise to the acquisition by the Complainants of enforceable rights in the context at hand.
- 6.11. Arising from the statute, the very expression sought to be contested is disclaimed in the registered entries for the logo trade mark. At common law, no evidence is shown to establish that the otherwise descriptive phrase "phone book" has acquired any secondary meaning that will afford trade mark rights to the Complainants. Trade marks do not give monopolies in ideas, but serve to distinguish products of a similar nature. Nowhere has it been shown that the expression "phone book" will distinguish a directory of the Complainants from a directory published by anyone else. See Cowbell AG v ICS Holdings Ltd, 2001 (3) SCA at 948A.
- 6.12. In the circumstances, we find that the Complainants do not have the necessary rights as required by the Regulations.

## 7. WHITEPAGES

- 7.1. The Adjudication Panel agrees with the finding of the initial Adjudicator that the Complainants have failed to submit evidence to show that the term "white pages" has acquired a secondary meaning. Hence the Panel concurs that the Complainants have not discharged the onus of showing, on a balance of probabilities, that they enjoy common law rights in respect of these words.
- 7.2. Indeed, the evidence adduced shows that Complainants' own use of the term is itself overwhelmingly of a descriptive nature. Complainants have used the words descriptively to distinguish the "yellow pages" commercial telephone directory (in respect of which the First Complainant has licensed production and dissemination to the Second Complainant), from the First Complainant's similarly published "white pages" residential

telephone directory – along the lines of long established international convention and precedent.

7.3. A South African telephone user, wishing to access an international telephone directory, can reasonably be expected to use, as and by way of purely descriptive usage, the terms “white pages” or “yellow pages” in order to identify and request the appropriate directory category which he or she wished to consult for a given foreign country. *Non constat* that this equates to trade mark rights in the hands of the Complainants. The expression is descriptive of the particular directory, and nothing else. At least, nothing else has been demonstrated.

7.4. Consequently, the Adjudication Panel finds that the Complainants have not established rights in the phrase or term “white pages” as required by the Regulations.

## 8. LACK OF BAD FAITH

8.1. The initial Adjudicator found that the Registrant “*cannot substantiate a clear lack of bad faith registration and use of the domain name “phonebook.co.za” (sic).*”

8.2. The Adjudication Panel considers it appropriate to address this finding.

8.3. A *sine qua non* of “bad faith” is that the act complained of must have violated a competing right or claim. In as much as the initial Adjudicator has found (and which finding the Adjudication Panel upholds) that the Complainants have not adduced evidence to substantiate their claim to rights in the conjoined words “phone book”, the issue of bad faith does not arise.

8.4. To this extent the initial Adjudicator, with respect, erred although the error has no bearing on the outcome of the Appeal.

## 9. REVERSE DOMAIN NAME HIJACKING

9.1. The initial Adjudicator found that the Complaint in respect of whitepages.co.za amounted to reverse domain name hijacking. The basis of the finding is that:

*"...the Complainants were and had long been well aware that:*

*it could not establish common law trade mark rights in the mark THE WHITE PAGES, prior to the registration of the disputed domain names; and*

*the Registrant has legitimate interest in the disputed whitepages.co.za domain name and there is a clear lack of bad faith registration and use. (sic)*

*The Complainants thus had no basis on which to assert that the Registrant has no rights to or legitimate interests in the disputed domain name whitepages.co.za. It therefore had no proper objection to the disputed domain name. Since the Complainants were being professionally advised throughout, the conclusion is inescapable that the Complainants were aware of this. The Adjudicator holds that the Complaint was brought in bad faith to deprive a registered domain-name holder of its domain name."*

9.2. The concept is defined in the Regulations to be "*using these Regulations in bad faith to attempt to deprive a registrant of a domain name*". The Adjudication Panel has some difficulty in understanding the precise aim and scope of this concept (and hence the nature and scope of the onus that a party seeking to invoke it is required to discharge). It requires, in the view of the Adjudication Panel, legislative intervention if it is to serve a meaningful purpose.

9.3. In any event, the Adjudication Panel respectfully disagrees with the finding of the initial Adjudicator in this regard. The Registrant made the allegation in its Response that the Complainants were using the Regulations in bad faith (although no such finding as made by the initial Adjudicator was requested) but the allegation was unsupported. There is simply no evidence to support the observations of the initial Adjudicator. Litigants and their legal advisers must be free to launch proceedings to protect rights - even if incorrectly perceived - without fear of castigation. See Deutsche Post D2006-0001. Two members of the Adjudication Panel are of the view that a reverse domain name hijacking complaint should require suitable evidence of unlawful intent, for example as proven in Bress Designs (Pty) Ltd v GY Lounge Suite Manufacturers (Pty) Ltd, 1991 (2) SA 455 W.

## 10. DECISION

10.1. For the foregoing reasons, in respect of the domain name registration phonebook.co.za, the Adjudication Panel finds that the initial Adjudicator came to the correct conclusion and the Appeal is dismissed.

10.2. For the foregoing reasons, in respect of the domain name registration whitepages.co.za, the Adjudication Panel finds that the initial Adjudicator came to the correct conclusion and the Appeal is dismissed.

10.3. For the foregoing reasons, the Adjudication Panel finds in regard to reverse domain name hijacking that the initial Adjudicator came to the incorrect conclusion and the Appeal is upheld in this regard.

ADJUDICATORS PANEL **21 JANUARY 2008:**

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**ANDRE VAN DER MERWE**  
SAIPL SENIOR ADJUDICATOR

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**ADV OWEN SALMON**  
SAIPL SENIOR ADJUDICATOR

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**DEREK MOMBERG**  
SAIPL SENIOR ADJUDICATOR