

## **ADJUDICATOR DECISION**

CASE NUMBER:	<b>ZA2008-0023</b>
DECISION DATE:	<b>11 November 2008</b>
DOMAIN NAME	<b>suncityvacation.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Blue Chip Accommodation CC</b>
REGISTRANT'S LEGAL COUNSEL:	<b>N/A</b>
THE COMPLAINANT:	<b>Sun International (South Africa)Limited</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Mr A. Smith of Adam &amp; Adams</b>
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	<b>UniForum SA (CO.ZA Administrators)</b>

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## 1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on 19 September 2008. On 22 September 2008 the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the Domain Name at issue, and on 22 September 2008 UniForum SA 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 25 September 2008. In accordance with the Regulations the due date for the Registrant's Response was 24 October 2008. The Registrant submitted its Response on 7 October 2008, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on 8 October 2008.
- c. In accordance with the Regulations the due date for the Complainant's Reply was 15 October 2008. The Complainant submitted its Reply on 16 October 2008. Nothing turns on the late filing of the reply.
- d. The SAIPL appointed Adv. Gavin Morley SC as the Adjudicator in this matter on 21 October 2008. Mr Warren Weertman was appointed as the Trainee Adjudicator. 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.

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## 2) Factual Background

- 2.1 The Complainant is the proprietor of approximately 80 trade marks incorporating the phrase "SUN CITY". A perusal of the schedule of trade marks, Annexure "S1" to the complaint indicates that these registered trade marks were initially registered in the late 1970's (commencing in 1978) and early 1980's in numerous classes, including classes that encompass its present activities as a resort.
- 2.2 The Complainant alleges that their Sun City resort has been one of the top tourist attractions in South Africa and that the resort is extremely well known in South Africa.
- 2.3 The Sun City resort offers accommodation at hotels such as the Sun City Cabanas, Sun City Hotel, Palace of the Lost City, the Cascades Hotel and Sun City time-share accommodation. It also offers a variety of sporting and recreational activities, including two world class golf courses, the Lost City Water Park and the Valley of the Waves.
- 2.4 The Complainant's resort offers a wide range of conference venues and banqueting facilities. Its venues have been used for high-profile events, meetings and conferences including those on the political front, in entertaining prominent local and international political leaders, celebrities and the like.
- 2.5 The Complainant's Sun City resort has been awarded gold classification from the Heritage program for its commitment to sustainable and responsible environmental practice.
- 2.6 In 2007, the Sun City complex was awarded the Imvelo Responsible Tourism award in South Africa in the initiative relating to the continuing hospitality industry campaign to encourage

industry members to accept voluntary guidelines by promoting responsible tourism.

- 2.7 None of the foregoing facts is in dispute on the papers and it may be accepted as a fact that the Complainant's SUN CITY registered trade marks are well known and that the trade mark SUN CITY enjoys a considerable reputation and goodwill in relation to its tourism activities.
- 2.8 The disputed Domain Name was registered on 29 August 2005 and is associated with a website, operated by the Registrant, promoting the Complainant's Sun City resort.
- 2.9 It is not in dispute that the Domain Name <suncityvacation.co.za> leads to the website of the Registrant. This website features photographs of the Complainant's resort and the website states "all images courtesy of Sun International Ltd". The entire website under the domain <suncityvacation.co.za> features the Complainant's Sun City resort and invites bookings for the resort.
- 2.10 The Domain Name and website are still active.

### **3) Parties' Contentions**

#### **a. Complainant's Complaint**

- 3.1 The essence of the complaint is that the Domain Name is identical or similar to a name or mark in which the Complainant has rights and constitutes an abusive registration in terms of Regulation 3(1)(a).
- 3.2 The Complainant relies on both its registered trade marks and its common law rights in the mark SUN CITY.

- 3.3 The Complainant submits that the website, in making extensive reference to the Complainant's Sun City resort and offering services under the mark SUN CITY (and associated trade marks), creates the impression that there is an association between the Registrant's business and the Complainant.
- 3.4 The Complainant has not authorised the Registrant to use its SUN CITY marks in conducting its trade or to use pictures of its Sun City resort on its website. The statement "all images courtesy of Sun International Ltd" is misleading.
- 3.5 The Complainant further alleges that the Registrant is not its licensee and that the use of the Complainant's pictures and trade mark by the Registrant has not been authorised by the Complainant.
- 3.6 According to the Complainant, the registration of the disputed Domain Name was *mala fide* and has and will mislead the public into believing that the Registrant is associated with the Complainant, when in fact there is no such association. The Complainant further claims that the Registrant registered the disputed Domain Name with the intention of riding on the goodwill, reputation and good name of the Complainant to attract trade and unfairly disrupt the business of the Complainant and furthermore prevent the Complainant from exercising its rights.
- 3.7 Complainant alleges that any adverse publicity attracted by the Registrant will negatively impact on the Complainant's business.

**b. Registrant's Response**

- 3.8 The Registrant contends that the Domain Name is not identical or similar to a name or mark in which the Registrant has rights [Regulation 3(1)(a)]. It is stated that the Domain Name

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<suncityvacation.co.za> means exactly that, namely a vacation or holiday at Sun City and it is meant to market the various accommodation options at Sun City and thus directly benefit the resort.

- 3.9 The Registrant further contends that the website is not an abusive registration and only promotes Sun City.
- 3.10 The Registrant cites several examples of websites which market resorts where the particular resort benefits directly and several websites that do not benefit the resort in question directly. The Registrant does not go into any further detail as to what the difference between these two types of websites is. The Registrant does claim that many travel agents make use of the Complainant's SUN CITY trade mark to promote the resort. The Registrant has also provided examples of other such travel agencies using the Complainant's SUN CITY trade mark.
- 3.11 The Registrant contends that it has rented several apartments from a joint venture between the Complainant and Brian Stocks in the past. It is also contended that the Registrant has been working with Sun International since 2005 confirming reservations at the various Sun City hotels. According to it, the Registrant's Sunpin number is 102439849 (Blue Chip Vacations).
- 3.12 The Registrant states that it had a telephone conversation with an unnamed Sun International representative 12 months prior to the launching of the website associated with the disputed Domain Name in terms of which the Complainant's representative indicated that as long as the Respondent's website did not refer to gambling, the representative was satisfied with the website. The Registrant also claims to have had met an unnamed Regional Sales

Representative who provided the Registrant with a DVD about Sun City.

- 3.13 The Registrant assumed that there was a relationship between the Complainant and the Registrant by virtue of the Registrant making bookings for clients at Sun City and that the Complainant had subsequently paid the Registrant commission on those bookings.
- 3.14 The Registrant alleges that it is registered with "Sun Images" and by virtue of that fact they were allowed to use the images that are displayed on the website associated with the disputed Domain Name. The Registrant also claims that it was of the opinion that the various disclaimers placed on their website would be adequate for the purposes of disclosing the relationship between the Registrant and the Complainant.
- 3.15 The Registrant claims that it has been using the disputed Domain Name without any adverse reactions regarding its service levels. The Registrant contends that it has always responded timeously to all queries so as to provide a good service to its clients and to assist Sun City with as many bookings as possible. Recently the Registrant confirmed a conference occupying 16 rooms at the Cabanas for February 2008 and has further group or conference bookings in the pipeline.

**c. Complainant's Reply**

- 3.16 The Complainant reiterated that the Registrant is not authorised to use the Complainant's SUN CITY trade mark and that the Complainant has not authorised the Registrant to use any of the registered trade marks. It is submitted by the Complainant that the Registrant's use of the mark SUN CITY remained unauthorised whether or not there was a benefit to the Complainant as a result of bookings made through the Registrant's business.

- 3.17 The Complainant further contends that the Registrant registered the disputed Domain Name with the primary intention of benefitting the Registrant commercially by creating an association with the Complainant through their use of the SUN CITY trade mark and that this purportedly gives the Registrant preferential access to the public over other agents.
- 3.18 The complainant further submits that as the registered proprietor of the SUN CITY trade marks it might in the course of its business grant licenses to third parties allowing those third parties to use all or any of its SUN CITY (or SUN CITY variant) trade marks in offering reservation services in respect of accommodation at the Complainant's resort or for the purposes of advertising, marketing and promoting the Complainant's resort. The Registrant is not one of those licensees.
- 3.19 Insofar as third party websites incorporating trade marks of other proprietors is concerned, the Complainant submitted that there was insufficient information on the papers to determine whether those websites conflicted with the Complainant's rights and it was further submitted that those websites did not in any way justify the registration of the Domain Name <suncityvacation.co.za>. Insofar as other Domain Names incorporating SUN CITY were concerned, three of these were owned by the Complainant. Two of the Domain Names were not authorised by the Complainant and the Complainant was considering appropriate action against the Registrants of those websites.
- 3.20 The Complaint claims to be actively policing the use of its intellectual property.

- 3.21 The Complainant alleges that the disputed Domain Name is not used to solely market the Complainant's business as the Registrant benefits commercially from the disputed Domain Name as it is a booking agent. The Complaint thus contends that the Registrant is not working with the Complainant but merely soliciting bookings. The Complainant also avers that many booking agents reserve accommodation with the Complainant and have not registered Domain Names incorporating the Complainant's SUN CITY trade mark.
- 3.22 The Complainant denies that a telephonic discussion ever took place between the Registrant and a representative of the Complainant during which conversation the representative of the Complainant approved the Respondent's website. Rather, the Complainant alleges that one of its representatives would have contacted the Registrant and asked it to stop using the Complainant's trade marks and images.
- 3.23 With regards to the DVD provided by a Regional Sales Representative of the Complainant to the Respondent, the Complainant states that such DVDs are provided to persons interested in time-share, investing or otherwise interested in Sun City but does not confer on the holder of the DVD any rights in relation to the Complainant's intellectual property.
- 3.24 The Complainant reiterated its denial that there was any relevant relationship between it and the Registrant. The Registrant should not have assumed the existence of any relationship other than making bookings for the Complainant's business as many agents did. It was contended that the Registrant's own annexure, Annexure "DD1" clearly reflected the Registrant as a client of the Complainant and as such this did not authorise the Registrant to

use the Complainant's trade marks even if commission was received for bookings.

3.25 The Complainant referred to the terms and conditions pertaining to registration with [www.sunimages.co.za](http://www.sunimages.co.za). Clause 3.1 permitted access to the Complainant's Digital Image Library, to consult the Digital Image Library, and to retrieve a maximum of 250 images per user company per annum for the sole purposes of distributing these elements of the content of the library to the travel industry and to other third parties in printed and/or electronic promotional material. It was contended that the Registrant's use of the images was for its own business gain and in creating its website. The images were not distributed but remained permanent features on the website. As such they prominently featured on the Registrant's website, promoting and enhancing the demand for the services offered by the Registrant. It was submitted that such use was unauthorised and infringed copyright.

3.26 Having regard to the decision reached in this matter, it has not been necessary to make any finding on the contractual issues relating to the use of the photographs.

#### **4) Discussion and Findings**

##### **a. Complainant's Rights**

4.1 By way of introduction, Regulation 29(1) requires an Adjudicator to decide a dispute "in accordance with the principles of law, on the basis of the dispute, response, and reply, if any, and further statements or documents submitted in accordance with these Regulations."

4.2 Regulation 13(1) requires that an Adjudicator must consider and be guided by previous decisions made in terms of these

Regulations, hereinafter referred to as “national decisions”, and decisions by foreign dispute resolution providers, hereinafter referred to as “foreign decisions”. Regulation 13(2) further requires that an Adjudicator must be guided by “national, foreign and international law.”

- 4.3 Regulation 3(1)(a) provides that a Registrant must submit to proceedings under the rules if a Complainant asserts, in accordance with the procedure, that – “the Complainant has rights in respect of a name or mark which is identical or similar to the Domain Name and, in the hands of the Registrant the Domain Name is an abusive registration...”
- 4.4 The definition of “rights” and “registered rights” includes “intellectual property rights, commercial, cultural, linguistic, religious, and personal rights protected under South African law, but is not limited thereto”.
- 4.5 The Complainant in the present case relies on its registered trade mark rights in respect of SUN CITY and also its common law rights in SUN CITY, which signifies its goodwill and reputation in the businesses it conducts at the Sun City resort.
- 4.6 Regulation 3(2) requires that a Complainant prove, on a balance of probabilities, that:
  - a) the Complainant has rights in respect of a name or mark;
  - b) the name or mark is identical or similar to the Domain Name; and
  - c) the Domain Name, in the hands of the Registrant, is an abusive registration.
- 4.7 The Complainant has provided overwhelming undisputed evidence

proving, on a balance of probabilities, that it had common law rights in the SUN CITY trade name and mark at the time of the registration of the Domain Name.

- 4.8 The Complainant has registered rights in respect of the trade mark SUN CITY that date back to 1978. *Prima facie*, the Complainant is the proprietor of validly registered trade marks that comprise of, or incorporate, the trade mark SUN CITY. Again the Registrant does not dispute the evidence submitted by the Complainant as to its registered trade marks.
- 4.9 In the judgment of the Adjudicator, the Complainant proved that it had the relevant intellectual property rights in SUN CITY to found its complaint.
- 4.10 The Domain Name at issue is <suncityvacation.co.za>. The Adjudicator finds that the suffix .co.za has no bearing on the consideration of similarity (see *bikeandleisuretrader.co.za* [ZA2008-00018] and *sunglasshut.co.za* [ZA2008-00015]).
- 4.11 With regards to the inclusion of the word "vacation" in the disputed Domain Name, it is a settled principle in Domain Name dispute resolution that the inclusion of a generic word or a word generic to the industry in question, is not a distinguishing feature (see WIPO decisions *wwwzonediet.com* [D2007-0286]; *fryelectronic.com* [D2006-1435] and Nominet decisions *allianceandleicesterbankplc.co.uk* [DRS 2006-3280] and *mira-uk.co.uk* [DRS 2006-3727]). In the context of this established principle, the Adjudicator finds that the word "vacation" is generic to the Complainant's and Respondent's industry. Accordingly, the inclusion of the word "vacation" is not sufficient to distinguish the disputed Domain Name from the Complainant's SUN CITY trade mark

4.12 The Adjudicator is accordingly satisfied that the Complainant has the requisite rights in respect of the mark SUN CITY, and that the disputed Domain Name has the requisite identity or similarity sufficient to found the complaint. The Adjudicator does not, therefore, accept the submission of the Registrant that the Domain Name is not similar to the SUN CITY mark in issue.

4.13 The Adjudicator considers that the only real issue in the proceedings is whether the Domain Name registration constitutes an abusive registration.

**b. Abusive Registration**

4.14 The Regulations define "Abusive Registration" as:

"a Domain Name which either:

- i. was registered or otherwise acquired in a manner, which at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or
- ii. has been used in a manner, which took unfair advantage of or was unfairly detrimental to the Complainant's Rights."

4.15 Regulation 4 lists a non-exhaustive list of factors, which may be evidence that the Domain Name is an Abusive Registration. The Complainant has indicated that it believes that in particular that it has made out a claim under regulation 4(1)(b), which provides that factors which may indicate that the Domain Name is an abusive registration include "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.”

- 4.16 It is to be noted that the complaint relates to both the registration and use of the Domain Name <suncityvacation.co.za>. In the judgment of the Adjudicator, *prima facie* the registration and use of a Domain Name <suncityvacation.co.za> in the face of the well known and registered trade mark SUN CITY will inevitably lead the public into believing that the Registrant is associated with the Complainant. It will also take advantage of the Complainant’s rights and such advantage will be unfair. It is unfair to take advantage of the reputation of another, built up over a long period as the result of considerable effort and expense, as attested to by Annexure “S4”, without contributing in any significant way to that reputation. It is reaping where another has sown. The Adjudicator is fortified in his conclusion by the fact that the use of the Domain Name has been in conjunction with a website that seeks to take advantage of the business and reputation of the Sun City resort. The evidence discloses that the Registrant indeed intended to associate itself with the Sun City resort and the Adjudicator concludes that the evidence discloses that, irrespective of the motives of the Registrant, it sought to create an association with the Complainant, when in fact no such association existed. In the judgment of the Adjudicator it is not necessary to make a finding of *mala fides*, such as occurred in *British Telecommunications PLC v One in a Million Ltd* [1999] FSR 1(CA) 23 in which Aldous L.J. held the following:

*"The placing on a register of a distinctive name such as 'marksandspencer' makes a representation to persons who consult the register that the Registrant is connected or associated with the name registered and thus the owner of the goodwill in the name. Such persons would not know of One in a Million and would*

*believe they were connected or associated with the owner of the goodwill in the Domain Name they had registered. Further, registration of the Domain Name including the words 'Marks & Spencer' is an erosion of the exclusive goodwill in the name which damages or is likely to damage Marks & Spencer PLC."*

4.17 The Registrant contends that its registration of the disputed Domain Name is not an abusive registration for the reasons highlighted in detail above. To briefly summarise, the Registrant claims that:

- i. there are several Domain Names incorporating the names of other holiday resorts;
- ii. other travel agents make use of the Complainant's SUN CITY trade mark;
- iii. the website associated with the disputed Domain Name only promotes the Complainant's Sun City resort;
- iv. the Registrant sought and claims to have obtained the Complainant's permission to use the website as is; and
- v. it was thought there was a relationship between the Complainant and Registrant by virtue of the fact that the Registrant booked accommodation for its clients at the Complainant's Sun City resort.

4.18 The fact that elsewhere booking agents may have incorporated the name of a resort does not assist the Registrant. No custom or practice in the trade in this regard has been proved, which might justify such a practice. Insofar as other use of SUN CITY is concerned, this too does not assist the Registrant. Of the five cited instances, three relate to the Complainant and the other two were not authorised by the Complainant whose undisputed evidence indicates that it polices its intellectual property rights. In the judgment of the Adjudicator it matters not that the web-site

only promotes the Sun City resort. It is not a defence to a claim of an Abusive Registration that the present use of the Domain Name for the purposes of a web-site will benefit the Complainant. The fact of the matter is that the Complainant has no control over that web-site and its content. Further its submission does not take cognisance of the principle that an abusive registration begins with the registration of the Domain Name in itself and the content of a content web-site does not have a bearing on the issue. The Registrant could have conducted its business through a Domain Name that did not include the Complainant's trade mark, a matter to which further reference is made below. It does not assist the Registrant to believe that a relationship with the Complainant exists, when factually there is no such relationship.

4.19 Although not exclusive, factors, which may indicate that a Domain Name is not an abusive registration include –

*"(a) before being aware of the Complainant's cause for complaint, the Registrant has –*

*(i) used or made demonstrable preparations to use the Domain Name in connection with a good faith offering of goods or services;*

*(ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the Domain Name; or*

*(iii) made legitimate non-commercial or fair use of the Domain Name;*

*(b) the Domain Name is used generically or in a descriptive manner and the Registrant is making fair use of it;*

- (c) *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; and*
- (d) *in order to succeed in terms of regulation 4(3), the Registrant must rebut the presumption by proving that the registration of the Domain Name is not an abusive registration.*

4.20 In spite of its submissions to the contrary, in the judgment of the Adjudicator, the Registrant has not made generic or descriptive use of <suncityvacation.co.za>. The use that is being made is to denote the origin of the services that the Registrant is offering i.e. trade mark use of the Domain Name. It cannot be said to be fair use where the use is misleading or takes unfair advantage of the reputation and goodwill of the trade mark in issue. On the facts before the Adjudicator, it is found that the Registrant has not brought itself within the ambit of Regulations 5(b) or 5(c). Regulation 5(d) is not applicable. This adjudication does not mean that the Registrant cannot make any use of SUN CITY in a web-site under its own trade name in which it continues to promote bookings for the resort. It is not for the Adjudicator to say what would constitute unobjectionable use of the SUN CITY marks in a web-site. That is a matter for the Registrant and its advisors.

4.21 The Registrant has stated that it has worked with the Complainant "since 2005 confirming reservations at the Cabanas, Sun City

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Hotel, Cascades Hotel and Palace of the Lost City and has also rented several apartments from the Sun International Joint Venture with Brian Stocks...”

4.22 In the judgment of the Adjudicator, this did not give rise to an entitlement on the part of the Registrant to use the Complainant’s SUN CITY trade marks in order to register a Domain Name. As has already been indicated, the use, despite the protestations of the Registrant to the contrary, was not generic or descriptive use but rather trade mark use to denote the origin of its services and to take advantage of the goodwill and reputation attaching to the SUN CITY name and trade marks. It is not clear whether as a “booking agent”, the Registrant was an agent in the true sense. Even if the Registrant was an “agent”, this would not have entitled it to register as a Domain Name its principal’s registered trade mark. It is trite that an agent does not ordinarily acquire any rights in its principal’s trade marks. (See: Webster & Page. South African Law of Trade Marks [Butterworths 4<sup>th</sup> Ed] paragraph 15.8.1). Using someone else’s trade mark in order to denote the origin of one’s own services cannot, in the judgement of the Adjudicator, be regarded as a “good faith offering of services” within the meaning of Regulation 5(a)(i). Regulations 5(a)(ii) and (iii) do not appear to be applicable to the present matter.

4.23 Although the Registrant claims to have obtained the permission of the Complainant to use the disputed Domain Name and the website associated with the disputed Domain Name, the Adjudicator finds it odd that the Registrant could not provide exact details as to whom it spoke to, or a specific date on which it spoke to the Complainant’s alleged representative. One would have thought that for such an important decision (i.e. whether the Domain Name could be used), the Registrant would have maintained more meticulous records. In the judgment of the

Adjudicator, this is the sort of issue where it is to be expected that such an important consent, if given, would have been given in writing. The Adjudicator accordingly finds that the Registrant has not proved a licence to use the disputed Domain Name as contended for by the Registrant and indeed finds that the Registrant's unsupported allegations in this regard are improbable.

- 4.24 Consequently, the Adjudicator finds that the disputed Domain Name, in the hands of the Registrant is an abusive registration as the disputed Domain Name has been registered (and subsequently used) in such a way that leads people or businesses to believe that the disputed Domain Name is registered to, operated or authorised by, or otherwise connected with the complainant.

## 5) Decision

- 5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the Domain Name, *suncityvacation.co.za* be transferred to the Complainant.

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**ADV. GAVIN MORLEY SC**  
SAIPL SENIOR ADJUDICATOR

Assisted by : Mr Warren Weertman  
TRAINEE ADJUDICATOR

[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)