

## **ADJUDICATOR DECISION**

CASE NUMBER:	<b>ZA2009-0030</b>
DECISION DATE:	<b>31 Aug 2009</b>
DOMAIN NAME	<b>Seido.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Saids Karate (Suliman Said)</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Phukubje Pierce Masithela Attorneys</b>
THE COMPLAINANT:	<b>Allstates Global Karate Do, Inc. d/b/a World Seido Karate Organization</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Bowman Gilfillan Attorneys</b>
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	<b>UniForum SA (CO.ZA Administrator)</b>

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## 1 Procedural History

- 1.1 The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on 11 May 2009. On 13 May 2009 the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue. 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.
- 1.2 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 19 May 2009. In accordance with the Regulations the due date for the Registrant's Response was 17 June 2009. The Registrant's attorneys requested an extension on time on 12 June 2009 to 8 July 2009. The SAIPL sent an email on 15 June 2009 granting an extension of time for the Registrant's Response to 26 June 2009. On 23 June 2009, the Complainant's attorneys agreed to an extension of time to 8 July 2009. The SAIPL notified the parties by email on 7 July 2009 the the Registrant's Response was due 8 July 2009.
- 1.3 The Registrant submitted its Response approximately 30 minutes after midnight on 9 July 2009. The Complainant objected to the late submission on 9 July 2009. The Registrant responded to the objection on 10 July 2009.
- 1.4 On 9 July 2009, the SAIPL notified the Registrant that the Registrant's Response did not comply with Regulation 18(2)(f) calling on the Registrant to submit a commissioned document of its Response. The Registrant submitted a commissioned document on 10 July 2009.
- 1.5 The Adjudicator is of the view that the Response should and therefore will be taken into account, notwithstanding that it was submitted minutes late or that the commissioned copy of the Response was submitted several days later.<sup>1</sup> The Complainant has been given a full opportunity to reply and therefore has not been prejudiced. Although the adjudicator fully understands the frustration expressed by the Complainant's attorneys, to ignore the Response would prejudice the process of adjudication, which is to ascertain the facts and make a decision on them according to the law.
- 1.6 The SAIPL forwarded a copy of the Response to the Complainant on 13 July 2009.
- 1.7 In accordance with the Regulations the due date for the Complainant's Reply was 20 July 2009. The Complainant submitted its Reply on 20 July 2009.
- 1.8 The SAIPL appointed Adv Gavin Morley, SC as the Adjudicator in this matter on 28 July 2009. Adv Morley is assisted by Ms Lisa Thornton. The Adjudicators have 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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<sup>1</sup> Precedent for this decision can be found in the SAIPL Adjudicator Decision ZA2008-0024 regarding the domain name, embassytravel.co.za.

- 1.9 On 18 August 2009, the SAIPL, on behalf of the Adjudicator, requested additional documentation from the parties regarding the South African registration of the trademark, SEIDO. On 18 August 2009, attorneys for the Complainant submitted the trade mark register page for the trademark, SEIDO, as of 18/8/2009. Attorneys for the Respondent confirmed its acceptance of the trade mark register page submitted by the Complainant on 19 August 2009.

## **2 Factual Background**

### 2.1 Domain name registrations

2.1.1 Seido.com was registered by the Complainant on 17 June 1996.

2.1.2 Seido.co.za was registered by the Registrant on 2 April 2001.

2.1.3 The name seido is used in a number of other domain names, eg, seido.com.au, registered by third parties (ie, not the Registrant or the Complainant). A cursory search on the Internet reveals that many of such domain names appear to have some relationship to the Complainant. However, some do not.

### 2.2 Heraldry registration by Suliman Said

2.2.1 On 14 August 1978, Suliman Said registered the name, "SEIDO KARATE ORGANISATION OF SOUTH AFRICA", and the special name, "SEIDO", with the South African Bureau of Heraldry.

### 2.3 Trademark registered by Suliman Said

2.3.1 On 8 March 1991, Suliman Said registered a trademark with the South African Department of Trade and Industry, for the word "SEIDO", for education and entertainment. According to the trademark register page, the registration was removed on 1 November 2004, and restored on 9 July 2009.

### 2.4 Trademarks registered by Complainant

2.4.1 On 14 February 2005, Allstates Global Karate Do, Inc. d/b/a World Seido Karate Organization registered a trademark with the South African Department of Trade and Industry, for the characters translated as "place of the sincere way" for education, training, entertainment and sporting and cultural events.

2.4.2 In 2007 All States Global Karate Do dba World Seido Karate Organization registered the following trademarks with the US Patent and Trademark Office:

- 2.4.2.1 Chinese Kanji characters spelling the word "sei" which is translated as "sincere", for use on T-shirts, sweat-shirts, fleece tops, and martial arts uniforms (9 October 2007);
- 2.4.2.2 The words "World Seido Karate Organizations" encircling a stylised plum blossom, with the word seido translated as "sincere way", for use on T-shirts, sweat-shirts, fleece tops, and martial arts uniforms (6 November 2007);
- 2.4.2.3 The phrase "Seido Juku" translated as "a special place to study the sincere way", for use on T-shirts, sweat-shirts, fleece tops, and martial arts uniforms, and for use in conducting courses of instruction in karate (6 November 2007);
- 2.4.2.4 A stylised plum blossom, for use on T-shirts, sweat-shirts, fleece tops, and martial arts uniforms, and for use in conducting courses of instruction in karate (6 November 2007);
- 2.4.2.5 Chinese Kanji characters spelling the Japanese phrase, "Seido Juku" translated as "special place to study the sincere way", for use on T-shirts, sweat-shirts, fleece tops, and martial arts uniforms (22 July 2008).

## 2.5 License Agreement

- 2.5.1 Effective 20 October 1996, Allstates Global Karate Do, Inc. and Suliman Said entered into a license agreement presented on the letterhead of the World Seido Karate Organization Headquarters, which, inter alia, gave Mr Suliman the right to conduct courses in seido karate using the following service marks registered with the United States Patent and Trademark Office on 15 June 1993 by Allstates Global Karate Do, Inc. dba World Seido Karate Organization: the words SEIDO KARATE separated by a plum blossom-like picture with the word "seido" translated as "sincere way", for conducting courses of instruction in karate (29 June 1993, lapsed 29 June 2003); and Japanese characters translated as "place of sincere way", for conducting courses of instruction in karate (15 June 1993, lapsed 15 June 2003).
- 2.5.2 The agreement purports to have given Mr Suliman the right to conduct courses in seido karate under the name seido, however, there is no proof that the Complainant had or has a trademark in the name seido in South Africa or that it had common law rights in South Africa, capable of being licensed.
- 2.5.3 The agreement appears to have been cancelled sometime between 16 January 2005 and 27 April 2005, when Mr Nakamura sent a letter on the letterhead of the World Seido Karate Organization Headquarters addressed to "Sally" with respect to "South Africa SEIDO Karate" purporting to withdraw permission to use "the SEIDO name, logo and syllabus".

## 2.6 Events leading up to the dispute

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- 2.6.1 On 23 January 2009, Leopold S. Rassnick, Attorney at Law, began a series of email correspondence with "Hanshi Solly", requesting that Hanshi Solly stop using "Seido in the Internet mechanism".
  - 2.6.2 On 20 February 2009, attorneys for the Complainant sent a letter to Said's Karate indicating that the Complainant "is the proprietor of the SEIDO trademark under registration number 2005/02881 (no proof of this trademark has been provided in this proceeding).
  - 2.6.3 The Registrant's Internet service provider (ISP), listed as the admin and tec contact on the .co.za whois database, Ashihara Online, responded on 27 February 2009 denying any wrongdoing on behalf of its client.
  - 2.6.4 Attorneys for the Complainant responded, disagreeing, citing a license agreement.
  - 2.6.5 The Registrant's ISP responded citing the Registrant's Bureau of Heraldry and trademark registrations.
  - 2.6.6 Attorneys for the Complainant responded, questioning the existence of the Bureau of Heraldry and trademark registrations.
  - 2.6.7 Finally, the Registrant's ISP responded suggesting that the Complainant's attorneys search for the documents or visit the Registrant's offices to view them, and suggesting that any further communication with regard to the matter be addressed directly to the Registrant.
  - 2.6.8 It is not explained why the dispute with regard to the domain name surfaced only in 2009, four years after the termination of the Licence Agreement.

### **3 Parties' Contentions**

#### **3.1 Complainant**

- 3.1.1 The Complainant claims to be the exclusive owner of the trademark, SEIDO, which is identical to the disputed domain name, thus meeting the criteria set out in Regulation 3(1)(a).
- 3.1.2 Complainant contends that the Registrant's registration of the domain name is an abusive registration and in particular that it fits all of the circumstances set out in Regulation 4(1)(a), as well as Regulation 4(2).
- 3.1.3 Complainant contends also that the Registrant is not making use of the disputed domain in connection with a good faith offering of goods and services or making legitimate non-commercial or fair use of the domain, and therefore does not meet the criteria set out in Regulations 5(a)(i) and (iii).

#### **3.2 Registrant**

- 3.2.1 The Registrant contends that the Complainant does not have a trademark in the word seido and therefore the complainant fails to meet the criteria set out in

Regulation 3(1)(a). The Registrant claims that it has the rights in the trade mark, SEIDO, in South Africa. The Registrant notes also the heraldry registration of the name SEIDO.

- 3.2.2 The Registrant denies that its registration of the domain name is an abusive registration and in particular that any of the circumstances set out in Regulation 4(1)(a) are present. The Registrant also denies that the registration or use of the domain name confuses the public into thinking that the domain is registered to, operated or authorised by, or otherwise connected with the Complainant.
- 3.2.3 Registrant also contends also that it is making use of the disputed domain in connection with a good faith offering of goods and services.

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

- 4.1 In terms of Regulation 3(1)(a), the first issue to determine is whether the Complainant has a right in respect of a name or mark that is identical or similar to the domain name. The second issue to determine is whether the registration is abusive. In terms of Regulation 3(2), the Complainant bears the burden to prove on a balance of probabilities, both issues.

#### **4.2 Complainant's Rights**

- 4.2.1 "Rights" is defined in the Regulations as including - "intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law, but is not limited thereto."
- 4.2.2 The Adjudicator cannot agree with the contention of the Complainant that it has an exclusive right in the trademark, SEIDO in South Africa. Indeed, it has no right in the trademark, SEIDO. That right in South Africa is held by the Mr Suliman Said, founder of the Registrant. However, the Complainant might nevertheless have rights in respect of a name or mark that is similar to the domain name.

#### **4.3 seido.com**

- 4.3.1 Registration of the domain seido.com in the USA does not give the Complainant rights (whether intellectual property, commercial or other) that are protected under South African law. In any event, unlike a trademark registration, which is a statutory guarantee of exclusive use as well as immunity to infringement by other parties, domain name registrations in themselves confer no such rights. They only confer a right to use that particular domain name in terms of the rules of the relevant domain name authority.

#### **4.4 Licence Agreement**

- 4.4.1 The Licence Agreement does not itself create on behalf of the Complainant any rights protected under South African law. However, the service mark registrations attached to it might. Those registrations include:

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- 4.4.1.1 the words SEIDO KARATE separated by a plum blossom-like picture with the word "seido" translated as "sincere way"; and
- 4.4.1.2 Japanese characters translated as "place of sincere way".
- 4.4.2 There are several problems for the Complainant, however, which it fails to overcome.
- 4.4.3 First, there is no evidence of the trademark, SEIDO, being registered by the Complainant at the time the Licence Agreement was concluded (or at any other time). It could conceivably be argued that the Complainant had common law rights in the mark, SEIDO, which extended to South Africa.<sup>2</sup> However, the Complainant failed to support any such argument. Given that the Complainant bears the burden to prove its right, no assumptions in its favour can be made. In any event, the trademark, SEIDO, in South Africa, was at the time of the signing of the Licence Agreement, already registered by Mr Said.
- 4.4.4 Second, the registrations are in the USA and are not rights protected under South African law. Generally, the effect of a trademark registration is limited to the country in which the registration took place. An exception to this is set out in the treaties, the Madrid Agreement Concerning the International Registration of Marks and the Madrid Protocol. However, South Africa is not a party to those agreements.
- 4.4.5 Third, the service marks lapsed in 2003. Therefore, no rights currently exist.
- 4.5 Well known trademarks
- 4.5.1 Although the Complainant only makes a passing claim that the use of the trademark, SEIDO, by the Complainant is well known, it is discussed here for completeness.
- 4.5.2 According to the Trademarks Act, in determining whether a trade mark is well-known in South Africa, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark.
- 4.5.3 The evidentiary burden required to show that a trade mark is well known, is that required to support a case based on passing off. It certainly has not been met in this matter. A review of the evidence presented by the Complainant as well as the Registrant, reveals that use of the trademark SEIDO in South Africa is sometimes associated with seido karate generally and thus could arguably be associated with the Complainant and the Registrant, but in other instances use of the trademark is specifically associated with Mr Suliman Said and Said's Gym. The Registrant has led substantial evidence to support its contention that in South Africa SEIDO is associated with its activities. In any event, the only evidence presented that shows there is a reputation in the name SEIDO is after the

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<sup>2</sup> See South African Football Association v Stanton Woodrush (Pty) Ltd t/a Stan Smidt & Sons and Another 2003 (3) SA 313 (SCA) (hereinafter, "SAFA v Stanton") at para 15.

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Registrant first registered the trademark in South Africa. Any reputation gained after that trademark registration inured to the Registrant's benefit.

#### 4.6 New trademark registrations by the Complainant

4.6.1 The 2005 trademark registration in South Africa is for characters translated as "place of the sincere way" (which appears to be a loose translation of SEIDO JUKU). The word SEIDO itself translates into "sincere way", not "place of the sincere way". Thus, the trademark is not identical to the domain name. It is also not similar. The Complainant cites several cases where it was decided that a domain name is similar if it incorporates the trademark "in toto". But then the Complainant proceeds to the conclusion that "the disputed domain name consists entirely of the Complainant's SEIDO trade mark". This claim simply is not supported by the facts. Furthermore and unfortunately for the Complainant, it does not own the trade mark, SEIDO. It owns a trademark arguably incorporating SEIDO (ie, in translation), but Mr Said owns the trademark, SEIDO.

4.6.2 The 2007 trademark registrations in the USA also fail to give the Complainant rights protected under South African law for the reasons stated above, because they are neither the same nor similar, and they are not protected in South Africa. Furthermore, the registration of trademarks cannot "drown an existing mark or reputation".<sup>3</sup>

4.6.3 Finally, because the trademarks were registered after the registration of the domain name, assuming they did confer rights on the Complainant similar to the domain name, the rights can only be relevant to whether the current use of the domain name is abusive but not whether the original registration of the domain name was abusive.

#### 4.7 Conclusion

4.7.1 For the forgoing reasons, the Adjudicator finds that the Complainant has failed to prove on a balance of probabilities that it has right in respect of a name or mark that is identical or similar to the domain name. Even if the Adjudicator is wrong, however, the domain name registration was not abusive.

#### 4.8 Abusive Registration

4.8.1 "Abusive registration" is defined in the Regulations<sup>4</sup> as -

"A domain name which either -

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<sup>3</sup> SAFA v Stanton at para 16.

<sup>4</sup> Alternative Dispute Resolution Regulations, No R 1166, published in Government Gazette No 29405 dated 22 November 2006.

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- 4.8.1.1 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
- 4.8.1.2 Has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights."
- 4.8.2 Regulation 4 sets out factors that might indicate that a domain name registration is abusive. A registration might be abusive if it was registered primarily –
- To sell it for consideration in excess of expenses;
  - To intentionally block the registration of a name or mark in which the Complaint has rights;
- 4.8.2.1 To unfairly disrupt the business of the Complainant; or
- 4.8.2.2 To prevent the Complainant from exercising its rights.<sup>5</sup>
- 4.8.3 A registration also might be abusive if it was registered in a way that leads people to believe the domain name is registered to, operated or authorised by or connected with the Complainant. Similarly, a registration might be abusive if it was used in a way that leads people to believe the domain name is registered to, operated or authorised by or connected with the Complainant.<sup>6</sup>
- 4.8.4 Regulation 5 sets out factors that might indicate that a domain name registration is not abusive. A registration might not be abusive if the Registrant (before it was aware of the Complainant's cause of action) –
- 4.8.4.1 Used or made preparations to use the domain name in connection with a good faith offering of goods or services;
  - 4.8.4.2 Was known by the name or connected to the a mark that is identical or similar to the domain name; or
  - 4.8.4.3 Made non-commercial or fair use of the domain name.<sup>7</sup>
- 4.8.5 A registration also might not be abusive if name is used generically or in a descriptive manner and the Registrant is making fair use of it.<sup>8</sup>
- 4.8.6 Factors indicating an abusive registration
- 4.8.6.1 There is no evidence that the domain name was registered primarily for sale. Likewise, there is no evidence to suggest that the intention of the

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<sup>5</sup> Regulation 4(1)(a).

<sup>6</sup> Regulation 4(1)(b). Additional factors that might indicate an abusive registration set out in Regulations 4(1)(c), (d), and (e) are not relevant to this matter.

<sup>7</sup> Regulation 5(a).

<sup>8</sup> Regulation 5(b). An additional factor that might indicate a registration is not abusive is set out in Regulation 5(c) relating to use of domain names for criticism or tribute, which is not relevant to this matter.

Registrant in registering the domain name was primarily to block the registration of a name in which the complainant has rights (assuming it had rights in the name SEIDO). The facts also do not support a finding that the Registrant registered the domain name to unfairly disrupt the business of the Complainant or prevent the Complainant from exercising any of its rights (assuming it had rights in the name SEIDO).<sup>9</sup>

4.8.6.2 The issue in this matter is whether there are circumstances indicating that the Registrant registered or is using the domain name in a way that leads people to believe the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant. The current use of the domain name is re-direction to a website belonging to the Registrant. The Complainant contends that the public expects to be directed to the website of the Complainant when using the domain name. No evidence was adduced in this regard. The Complainant also contends that the Respondent's factual statement that Mr Suliman headed the South African Seido Karate Organization for 30 years causes confusion and that the Registrant does not advise its website visitors of the current relationship between the parties, amounts to an abusive registration. The Registrant points out that the contents of the website make it clear that the domain name is not registered to, operated or authorised by or otherwise connected with the Complainant. The Adjudicator agrees with the Registrant.

4.8.6.3 It appears common cause that the Registrant registered the domain name in a way that led people to believe that the Registrant was connected with the Complainant because at the time the two were connected. Whether this led the public to believe that the domain name was registered to, operated or authorised by, or otherwise connected with the Complainant is arguable. Without making a finding in this regard, the Adjudicator will assume that it did. However, factors negating a abusive registration dispose of the matter in favour of the Registrant.

#### 4.8.7 Factors negating an abusive registration

4.8.7.1 One of the factors negating an abusive registration is that the Registrant has been commonly known by the name or legitimately connected with a mark identical or similar to the domain name. In this regard, the Registrant claims that it has registered the trade mark, SEIDO, in South Africa, and registered the special name, SEIDO, with the Bureau of Heraldry.<sup>10</sup>

4.8.7.2 There is some dispute about whether the registration is currently in force.<sup>11</sup> The trade mark register page indicates that the trademark was

<sup>9</sup> A search of the south african whois database revealed that as the date of this decision, the domain, seidojuku, the trademark that the Complainant does have rights in, has not yet been registered.

<sup>10</sup> In fact, Mr Suliman Said, founder and apparent owner of the Registrant, registered the trademark and special name with the Bureau of Heraldry.

<sup>11</sup> In passing, the Complainant also argues that the Registrant is not a bona fide holder of the trademark. This, however, is not the forum to litigate that matter.

removed in 2004, and that restoration was applied for on 9 July 2009. In any event, as a trademark registration is not a requirement, the effect on this matter, of the lapsing of the trademark registration some time after the registration of the domain name, is likely to be little, if any. A currently valid registration gives immunity to infringement actions, such as this one, but the lack of registration does not mean that an infringement action cannot be defended. There is the additional matter of the Bureau of Heraldry registration of the "Seido Karate Organisation of South Africa" and the special name, SEIDO. Although there is no immunity to infringement actions set out in the Heraldry Act similar to that set out in the Trade Marks Act,<sup>12</sup> that registration lends support to the claim that the Registrant has been legitimately connected with a mark identical or similar to the domain name.<sup>13</sup>

4.8.7.3 Finally, the Complainant is encumbered by the obligation to prove that it has rights in respect of a name that is identical or similar to the domain name. The Registrant is not encumbered by any such burden. So, even if the Registrant never registered the trade mark, SEIDO, that would not be dispositive of the matter.

## 5 Conclusion

5.1 The burden rests on the Complainant to prove on a balance of probabilities that the domain name registration is an abusive registration in the hands of the Registrant. In this case, the Complainant failed to prove on a balance of probabilities that the domain name, seido.co.za, was registered or used in a manner that takes unfair advantage of or was unfairly detrimental to any of Complainant's rights.

5.2 For these reasons, the Adjudicator finds that the domain name, seido.co.za, in the hands of the Registrant, is not an abusive registration.

## 6 Decision

6.1 For all the foregoing reasons, the Dispute is refused.

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**ADV GAVIN MORLEY SC**  
SAIPL SENIOR ADJUDICATOR

.....  
**LISA THORNTON**  
SAIPL ADJUDICATOR

<sup>12</sup> The Heraldry Act does provide for damages actions for infringing uses of registered names and special names. Heraldry Act, sections 21 and 22.

<sup>13</sup> It appears from the evidence presented that the Registrant used the name Seido Karate Organisation of South Africa and the special name and trademark, SEIDO, over the course of nearly 30 years evidencing a continuous course of trading over those years. The evidence includes contemporaneous newspaper articles, as well as contemporaneous letters from the Complainant recognising that course of trading.