

## Decision

**[ZA2016-0241]**

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

### ADJUDICATOR DECISION

CASE NUMBER:	<b>ZA2016-0241</b>
DECISION DATE:	<b>17 August 2016</b>
DOMAIN NAME:	<b>discovery.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Fnbeasy</b>
REGISTRANT'S LEGAL COUNSEL:	<b>N/A</b>
THE COMPLAINANT:	<b>Discovery Limited</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Mr Herman Blignaut – Spoor &amp; Fisher</b>
2 <sup>nd</sup> LEVEL ADMINISTRATOR:	<b>ZA Central Registry (co.za)</b>

## 1. Procedural history

- 1.1 The domain in this complaint is <discovery.co.za>, which was registered on 12 February 2013. According to WHOIS, the Registrant is “Fnbeasy”, of 49 Drumbal Street, Sydney, 2766, Australia.
- 1.2 The Complainant is Discovery Limited, a company whose principal place of business is at 155 West Street, Sandton, Gauteng, South Africa, hereinafter referred to as “the Complainant”.
- 1.3 This dispute was filed with the South African Institute of Intellectual Property Law (“SAIPL”), on **19 July 2016**. On **20 July 2016** SAIPL emailed a request to ZA Central Registry for the registry to suspend the domain name, and on **21 July 2016** they confirmed the suspension.
- 1.4 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **21 July 2016**. The due date for the Registrant’s Response was **19 August 2016**. The Registrant submitted its Response on **25 July 2016**. The SAIPL verified that the Response ostensibly satisfies the formal requirements of the Regulations and the SAIPL’s Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on **28 July 2015**. The Complainant submitted a Reply on **4 August 2016**.
- 1.5 The SAIPL appointed **Adv Owen Salmon SC** as the Adjudicator on **8 August 2016**. He has submitted the Statement of Acceptance and Declaration of Impartiality and Independence on **8 August 2016**, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

## 2 The Facts

- 2.1 Discovery Limited is a South African based integrated financial services company offering a range of services in the fields of health, life and short term insurance, as well as various saving, investment and credit card services. The Complainant also operates a wellness rewards program known as Discovery Vitality. It is well known in South Africa, particularly for its endeavours in these fields of interest.
- 2.2 In the Response to the complaint, the Registrant was identified as Mr FN Beasy of 250 George Street, Liverpool, New South Wales. According to WHOIS, the Registrant's telephone number is identified as +27.11518037. This would, *prima facie*, identify it as a South African telephone number due to the +27 South African international dialling code. From that perspective, however, the rest of the number is inappropriate as a South African telephone number. (The telephone number given in the Registrant's response is +61029865654 - *prima facie*, an Australian telephone number.) It does not appear that the Complainant makes an issue of this,<sup>1</sup> although, given the Excursus below, it may be something to bear in mind.
- 2.3 Discovery Limited is the proprietor of numerous registered trade marks consisting of the word DISCOVERY – both in South Africa and internationally. In his response, Mr Beasy recorded (sic) that:-

“Application to made in terms of Section 24(1) of the Trade Marks Act, No. 194 of 1993 (“the Act”) for the removal of the complainant’s trade marks. Expungement of Complainant’s trade mark based on the grounds that there are many trade marks using the word “DISCOVERY” in nice class 35/36. There is no secondary word to distinguish Complainant’s mark, thus causing confusion, therefore Complainant is not entitled to the singular generic “DISCOVERY” in any nice class. This

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<sup>1</sup> In light of Clause 4(1)(d) of the Alternative Dispute Resolution Regulations Promulgated in Government Notice R1166 in terms of the Electronic Communications and Transactions Act 2002.

would put the Complainant's trade mark in direct infringement of other trade marks in nice class 35/36."

- 2.4 No information has been put before the Adjudicator to indicate that there is an application for the expungement of the Complainant's trade marks. The assertion in this regard can, for the purposes of this complaint, be ignored. Until entries in the trade marks register are expunged, the rights which flow therefrom remain enforceable in terms of the statute.<sup>2</sup>
- 2.5 The Complainant is the largest health insurance provider in South Africa covering 5.1 million clients. In addition, it has an expanding international presence and in the United Kingdom it is the fourth largest private medical insurance company. The document initiating this dispute embodies a comprehensive exposition of various facts, combined with numerous annexures to support the contention (that is advanced) that the Complainant enjoys significant repute and goodwill, resulting in strong common law rights in the DISCOVERY trade marks. It is not necessary to traverse the detail of the allegations in this regard, and the Adjudicator accepts that the Complainant has rights in the mark DISCOVERY.

### 3 The Complainant's contentions

- 3.1 The offending domain name is, for all intents and purposes, identical to the Complainant's DISCOVERY trade marks.
- 3.2 The Registrant's use of the offending domain name amounts to what has been recognised by a large number of WIPO (World Intellectual Property Organisation) Administrative Panel Decisions as "typo-squatting".

<sup>2</sup> Compare further the dictum of Van Dijkhorst J in Abdulhay M Mayet Group v Renasa Insurance Co. Ltd 1999 (4) SA 1039 (T) at 1048 I to 1049 A:-

"The law of trade marks will fall into desuetude should every infringer be allowed to defend himself by saying: I know that I am acting unlawfully, but bear with me; there is a possibility that my actions may become lawful. The proper course for such infringer would be to comply with the law and desist from infringing until the application to legalize such use is successful."

The SAIPL adjudication panel has also recognised further instances of typo-squatting of a domain name which is identical or similar to a name or mark in which a Complainant has rights, specifically:-

3.2.1 Primedia (Pty) Ltd vs DMF Industries (Case No. ZA2012-0107);

3.2.2 Standard Bank of South Africa v Daniel Cox (Case No. 2007-0006);

3.2.3 Investment Solutions Limited v James Sai (Case No. ZA2015-00224).

3.3 The offending domain [dicovery.co.za](http://dicovery.co.za) is the obvious misspelling of the Complainant's [discovery.co.za](http://discovery.co.za) domain name. As the Complainant's DISCOVERY trade marks are well known, this would result in a high likelihood of the offending domain receiving substantial user traffic.

3.4 When the offending domain name is compared to the Complainant's DISCOVERY trade marks and their [discovery.co.za](http://discovery.co.za) domain name, the offending domain name is visually, phonetically and conceptually practically identical and therefore confusingly similar. The only difference being the omission of the letter "s" in the offending domain name. The omission of the letter is insufficient to differentiate the offending domain name from the Complainant's DISCOVERY trade marks.

3.5 The case of "typo-squatting" is confirmed, and borne out by the unauthorised use of several of the Complainant's DISCOVERY trade marks on the website at [www.dicovery.co.za](http://www.dicovery.co.za). (Examples of use of the Complainant's DISCOVERY trade marks on the Registrant's website are annexed to the complaint.) These include DISCOVERY, DISCOVERY CARD and DISCOVERY MEDICAL AID, and the website also serves as a platform for the promotion of services of other companies, such as Outsurance, Santam, King Price, Hippo, 1 Life and the like.

3.6 In addition, the domain presents the Discovery trade marks as non-descript URL links. When the user clicks on such a link, the user is directed to pages displaying "pay-per-click" style advertisements. As there are no other

services, information or products offered on the Registrant's website (beyond simple pay-per-click keyword based advertising, relying on unauthorised use of the Complainant's DISCOVERY trade marks) this is an indication of registration and use of the domain name in bad faith.<sup>3</sup>

3.7 Moreover, the pay-per-click advertisements are not only for the Complainant's services, but also those of competitors to the Complainant.

3.8 There is no doubt that the Registrant has deliberately misspelled the Complainant's DISCOVERY trade marks in the offending domain name in order to leverage off the renown of the said trade marks. This disrupts the business of the Complainant by diverting traffic from, or users being unable to reach the Complainant's website located at <discovery.co.za>. Further, the use of the DISCOVERY trade marks may indicate that the offending domain is registered to, or operated, or authorized, or otherwise connected with the Complainant, which is not the case.

3.9 Finally, as the offending domain name only differs from the Discovery trade marks by the omission of one letter, and then goes on to feature a website solely for parking advertisements of competitors' services, it is clear that at the time of registration the Registrant took unfair advantage of the Complainant's Discovery trade marks and reputation therein, employing a *mala fide* methodology of typo-squatting.

3.10 In conclusion, the Complainant contends:-

3.10.1 The Registrant has registered the domain names to block intentionally the registration of a name or mark which the Complainant has rights;

3.10.2 The Registrant has registered the domain names to disrupt unfairly the business of the Complainant;

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<sup>3</sup> Reference is made to Eclinical Works LLC vs Privacy Protection/Contact Privacy Inc. (Case No. D2014-1175 for reliance on this principle.

- 3.10.3 The Registrant has registered the domain names to prevent the Complainant from exercising its rights; and/or
- 3.10.4 The Registrant is using, or has registered, the domain names in a way that leads people to believe that the domain names are registered to, operated or authorised by, or otherwise connected with the Complainant. The Registrant uses the domain names to attract internet users to his own websites and does so for commercial gain, by creating confusion with the Complainant's trade marks as to the source, sponsorship, affiliation or endorsement thereof;
- 3.10.5 In addition to the above factors, the Registrant's registration and use of the offending domain name amounts to infringement of the DISCOVERY trade mark in terms of Section 34(1)(a), (b) and (c) of the Trade Marks Act, and passing-off in terms of the South African common law; and
- 3.10.6 The offending domain name is accordingly an abusive registration in the hands of the Registrant.

#### 4 The Registrant's contentions

- 4.1 The following is quoted (*sic*) but represents contentions repeated by the Registrant a number of times:-
- Discovery.co.za "s" letter omitted of parent generic "discovery"
  - Nice Classes 36 and 35 (More than 100 companies have Trade Marks with the word "discovery" in the insurance and financial sector)
  - No bad faith, infringement or abusive registration. The domain name is trading on the popularity of a term used generically by many people for a popular industry keyword in insurance and financial services (Nice Class 35/36) globally.

- It is not illegal to register a domain name, park it and show relevant ads through a third party as a business model. We have every right to use this domain name towards our business model.
- It is not illegal to register a “letter omitted” domain name or any generic word.
- Grounds for removal and expungement of complainants trade mark in terms of section 24(1) of the Trade Marks Act, No. 194 of 1993 (“the Act”) based on the fact that there are many trade marks using the word “discovery” in nice class 35/36. There is no secondary word to distinguish complainant’s mark, thus causing confusion, therefore complainant is not entitled to the singular generic “discovery” in any nice class. The complainants trade mark is in direct infringement of other trade marks in nice class 35/36 and therefore this dispute is hypocritical.
- Annexure 1 will show over 100 companies with registered trade marks with the word “discovery” trading in the insurance and financial sector.
- Annexure 2 will show in-depth trade mark information to a selected few companies with “discovery” trade marks.
- Annexure 3 will show WIPO cases in support of this dispute.
- The primary response or defence here is, who really has the right to the domain names discovery.co.za or dicoverly.co.za. Is it Discovery Insurance (Turkey) Trade mark 201427271, or Discovery Vitality (Destiny Health, Inc. USA) Trade mark: 201427271 or hundreds of companies with the word “discovery” that operates in the insurance and financial services under nice class 35/36. There is no secondary word to distinguish complainants mark, thus causing confusion and has grounds for expungement. It is evident the Complainant is showing domain hijacking behaviour.

## 5 The Complainant's Reply to the Response

5.1 The Complainant takes issue with the contentions put forward by the Registrant. In light of the view I have adopted, it is not necessary to detail its Reply.

## 6 Discussion and Findings

6.1 It is clear that the Complainant has rights in the trade mark DISCOVERY sufficient to accord it *locus standi* for the purposes of the complaint as contemplated by the Regulations.

6.2 Unlike what is contended by the Complainant, the domain is not identical to the DISCOVERY trade mark. It is, however, similar as contemplated by Regulation 3(1)(a).

6.3 It has been stated several times by panellists that an "abusive registration" as contemplated by the Regulations can be one which either:-

- at the time of registration took unfair advantage of or was unfairly detrimental to the Complainant's rights;
- or has since been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

6.4 Of course, the Regulations do not contemplate a *numerus clausus* in setting out<sup>4</sup> the factors to be taken into account in assessing whether a domain name is abusive. The Regulation merely provides that the factors are such which "may" indicate abusiveness. As alluded to in the Introduction, the fact that false or incomplete contact details were provided by the Registrant in the WHOIS data base is one such factor and it is, in the Adjudicator's view something to be taken into account in the present assessment.

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<sup>4</sup> See Regulation 4(1).

6.5 The notion of typo-squatting presents an equally compelling case of abuse. Mr Beasy's own protestation indicates an intended exploitation of the reputation of what is the Complainant's trade mark.

6.6 The alleged generic use "*by many people for a popular industry keyword in insurance and financial services*" has not been shown in evidence, and nor has it been proved that "*more than 100 companies have trade marks with the word 'discovery' in the insurance and financial section*".<sup>5</sup> Finally, the added problem for the Registrant is that it exploits its domain in the very field of interest in which the Complainant's marks are particularly well-known. If the content of [www.dicovery.co.za](http://www.dicovery.co.za) portrayed a *bona fide* site devoted, say, to innovative botanical hybridization, the considerations might be different.

6.7 No cogent counter-argument has been raised to the concerns embodied in the notion of typo-squatting that has motivated previous panellists, both internationally and in South African jurisprudence, to find it a practice which is unacceptable - if only because it taints the domain in question as abusive.

## 7 Decision

For the foregoing reasons the Adjudicator finds that the domain is abusive. In accordance with Regulation 9 the Adjudicator orders that the domain <dicovery.co.za> be transferred to the Complainant.

## 8 EXCURSUS

8.1 It is necessary to say something about the Registrant's responding document – or, more, accurately, its attestation.

8.2 In accordance with Regulation 18(f), the Response must:-

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<sup>5</sup> These allegations were so attacked in the Complainant's Reply; where it was also pointed out that Destiny Health Inc. is a wholly-owned American subsidiary of the Complainant.

“(f) conclude with the following statement by the signature of the registrant or his or her authorised representative and be administered as an oath or affirmation by a Commissioner of Oaths

‘The registrant certifies that the information contained in this response is, to the best of Registrant’s knowledge, both complete and accurate, that this response is not being presented for any improper purpose, such as to harass the complainant, and that the assertions in this response are warranted under these Regulations and under applicable law

\_\_\_\_\_  
Signature of Registrant

Date:

Place:

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer:

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer:

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer:

I certify that the deponent has acknowledge that she/he knows and understands the contents of this declaration. The deponent utters the following words: “I swear that the contents of this declaration are true, so help me God.” / “I truly affirm that the contents of the declaration are true.” The signature/mark of the deponent is affixed to the declaration in my presence.

\_\_\_\_\_  
Commissioner of Oaths

Full Name:

Designation:

Area:

Office held *ex officio*:

Business address:

Date:

Place:”

8.3 This is, of course, the ordinary *jurat* protocol for affidavits and other sworn documents.

8.4 The attesting officer of the Registrant's Response is purportedly "JP Cox", whose signature and details are reproduced as follows:-

 JP.COX\_\_\_\_\_

Full Name: JP COX  
Designation: Justices of the Peace  
Area: Justices of the Peace  
Office held ex officio: Justice of Peace Officer  
Business address: 278 Pitt ST Sydney  
Date: 25/07/2016  
Place: Sydney

8.5 There is, *prima facie* at least, cause to consider that this is fraudulent. Firstly, there are indications which would suggest to a legally-qualified person that the particulars of the commissioning person – this would be a Justice of the Peace in New South Wales, Australia – are not correct. Thus, for example:-

- the office (Designation) is "Justice of the Peace", not "Justices ...";
- the area is to be geographic in denomination. "Justices of the Peace" is not such an area.

8.6 Moreover, mere internet research raises a query over the purported business address. Pitt Street is a major street in the centre of Sydney, but 276-278 Pitt Street is occupied by the Allife Centre, a multi-storey office block.<sup>6</sup> *Prima facie*, "278 Pitt Street" (without more) is a non-address, something unlikely for an officer of the Court to record.

8.7 The potential for deception continues, in a more important way. Unlike as is required by Clause 4(2)<sup>7</sup> of the Scheduled "Code of Conduct for

<sup>6</sup> See [www.jagonal.com.au](http://www.jagonal.com.au).

<sup>7</sup> This states:-

"When providing justice of peace services, a justice of the peace must clearly record his or her justice of the peace registration number together with his or her full name and signature on the document."

Justices of the Peace”,<sup>8</sup> the (purported) Justice of Peace has not recorded his/her (six-digit) registration number, nor full name.

8.8 It is not without reason, the conjecture that “JP Cox” may be an intended (decoy) reference to “Justice of Peace Cox”. There again, as it turns out, there is a “Joanne Peta Cox” entered in the New South Wales Justices of the Peace Register.<sup>9</sup> It is somewhat unlikely, in the Adjudicator’s view, that a *bona fide* Justice of the Peace, including Mrs Joanne Peta Cox, would make so many errors – including a fairly glaring breach of the prescribed Code of Conduct - in what would otherwise be a run-of-the-mill daily function.<sup>10</sup>

8.9 It is suggested that SAIPL and/or ZA Central Registry refer the matter to the Director-General of the Attorney General’s Department in the Government of New South Wales for further investigation.

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**ADV OWEN SALMON SC**  
SAIPL SENIOR ADJUDICATOR  
www.DomainDisputes.co.za

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<sup>8</sup> Prescribed by the Justices of the Peace Regulation 2009 under the (New South Wales) Justices of the Peace Act 2002.

<sup>9</sup> This register is in terms of Section 11 of the Justices of the Peace Act 2002 (NSW). See [www.jp.lawlink.nsw.gov.au](http://www.jp.lawlink.nsw.gov.au) for the list.

<sup>10</sup> As already alluded to, also, the telephone contact details provided with the domain registration are palpably false.