

Decision

[ZA2014-0186]

.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)

ADJUDICATOR DECISION

CASE NUMBER:	ZA2014-0186
DECISION DATE:	21 November 2014
DOMAIN NAME:	massrnat.co.za and rndd.co.za
THE DOMAIN NAME REGISTRANT:	Iwuamdi Kosy
REGISTRANT' S LEGAL COUNSEL:	None
THE COMPLAINANT:	Masstores Proprietary Limited and Massdiscounters Proprietary Limited
COMPLAINANT' S LEGAL COUNSEL:	Adams & Adams
2 nd LEVEL ADMINISTRATOR:	ZA Central Registry

1. Procedural history

- 1.1 There are two domains in issue; <massrnart.co.za>.which was registered on 23 March 2014, and <rndd.co.za>, which was registered on 24 March 2014.
- 1.2 The Complainants are Masstores Proprietary Limited and Massdiscounters Proprietary Limited, hereinafter referred to as “the Complainant” . The Registrant is Iwuamdi Kosy of Owerri, Nigeria.
- 1.3 This dispute was filed with the South African Institute of Intellectual Property Law (“SAIPL”), on **16 September 2014**. On **17 September 2014** the SAIPL transmitted by email to ZA Central Registry (ZACR) a request for the registry to suspend the domain name, and on the same day ZACR confirmed the suspension.
- 1.4 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **1 October 2014**. The due date for the Registrant’ s Response was **29 October 2014**.
- 1.5 By **3 November 2014** the Registrant had not submitted its Response to SAIPL, and has still not done so.
- 1.6 On 6 November 2014 **Adv Owen Salmon SC** was invited to adjudicate this matter, and he duly submitted the Statement of Acceptance and Declaration of Impartiality and Independence. Subsequently Adv Salmon was appointed as the Adjudicator.

2 The Facts

- 2.1 Masstores (Pty) Ltd, the First Complainant, is the proprietor in South Africa of the trade mark MASSMART which is registered in several classes covering a variety of services. It also has a domain massmart.co.za.
- 2.2 The First Complainant operates the Massmart business, which was founded in 1990. It is one of the largest distributors of consumer goods in South Africa and consists of four divisions: Masdiscounters, Masswarehouse, Massbuild and Masscash. Some of the outlets operated by these divisions include Game, Makro, DionWired, Builders Warehouse, Builders Express, and Jumbo, to name a few.
- 2.3 The acronym MDD is used in relation to the Masdiscounters division and Masdiscounters (Pty) Ltd (the Second Complainant), which is a subsidiary of the First Complainant, is the registrant of the domain mdd.co.za. This domain is maintained for the benefit of and use by the First Complainant's Masdiscounters business which operates two retail formats: Game and Dion Wired. This particular domain is active and redirects web browsers to the website www.game.co.za which advertises the First Complainant's retail chain Game.
- 2.4 The marks MASSMART and MDD are well-known, at least in their business circles, and are associated with Masstores (Pty) Ltd and its Massmart business in general.

2.5 The domains <massnart.co.za> and <mdd.co.za> are used for email purposes by employees of the First and Second Complainants respectively. In particular the First Complainant's Credit Supervisor, Ms Debbie Baumann has the address dbauman@massmart.co.za. Its Senior Financial Manager, Ms Reshma Kisten, has the address rkisten@massmart.co.za. The Second Complainant's National Buyer, Shelton Timm, has the email address sheltont@mdd.co.za.

2.6 During April 2014 an email was sent to a supplier of the First Complainant's from the addresses dbauman@massnart.co.za and copied to rkisten@massnart.co.za. Purporting to be from Ms Debbie Baumann, the email concerned payment of an account in the amount of US\$21 320,00. The supplier's representative, mistakenly, believed that the emails were from the Complainant's employees, and responded to the sender of the fraudulent email, and at the same time copied the Complainant's local agent, Mr Allan Iyer, to follow up on payment of the asserted outstanding amount.

2.7 It was during the correspondence which ensued that the First Complainant learned of the use of the addresses dbauman@massnart.co.za and rkisten@massnart.co.za, and that these had been used to initiate the fraudulent email. This prompted investigation by the First Complainant's

IT department. It was discovered that, in addition to these fraudulent email addresses, the email address sheltontr@rndd.co.za (imitating its national buyer, Shelton Timm's email address as aforementioned) existed. It was through the same investigations that the existence of the domain names currently under dispute came to light.

2.8 In consequence, the Complainants initiated the current dispute, on the premise that, obviously, the domains are associated with the corresponding fraudulent email addresses, and which had been used for fraudulent purposes.

2.9 Both domains <massrnat.co.za> and <rndd.co.za> lead to sites each with a populated webpage, but which are otherwise inactive.

3 The Complainants' contentions

3.1 The Complainants submit that the domain names are almost identical to the domain names <massmart.co.za> and <mdd.co.za>, and that the marks "massrnat" and "rndd" (incorporated in the subject domain names) are almost identical to the Complainant's trade marks MASSMART and MDD.

3.2 It is further contended that the only difference is in the letters "r" and "n" and that these are not sufficient to distinguish the marks; indeed, the

letters (it is alleged), were deliberately selected in an attempt to create a visually close similarity with the letter “m” , in order to facilitate confusion and deception. Thus, the domains <massrnart.co.za> and <rndd.co.za> were deliberately conceived and registered, created to imitate the Complainants’ domain names, and thereby the Complainants’ employees email addresses for the purposes of misrepresenting to persons for fraudulent purposes.

3.3 Accordingly, the Complainants submit that the registration of the domain names was in bad faith, is each intended to facilitate the likelihood of confusion and deception, thereby allowing the Registrant to benefit financially by defrauding the Complainant, its suppliers and/or customers.

4 Discussion and Findings

4.1 It is clear, and the Adjudicator so finds, that the Complainants have rights as contemplated by Regulation 3 in the marks MASSMART and MDD. What is not so clear is whether the marks ‘massrnart’ and ‘rndd’ are ‘identical or similar’ within the meaning of Regulation 3.

4.2 They are, clearly, not identical. It might also be said, at face value, that because of the obvious character differences - more so in the case of <rndd.co.za> - they are not similar within the meaning of the Regulation.

- 4.3 The problem with this postulate is that the determination cannot be made on only a face value assessment. The domains have obviously been devised and have been put to fraudulent purposes; moreover, as the correspondence annexed to the complaint demonstrates, there was confusion (if not deception) on the part of all involved - of course, except for the fraudster. If the domains (and the thereby-provided email addresses) did not bear resemblance to the genuine addresses, the chances of fraud being successfully effected (in this way) would be substantially less, if not negligible.
- 4.4 It must be because of a similarity that the deception can be achieved. This means, in the Adjudicator's view, that the domains are similar to the marks in which the Complainants have established rights, as contemplated by the Regulations. Indeed, this was the aim of the fraudster and, as the authorities show, he must be presumed to know what he is doing.
- 4.5 Regulation 4 provides that factors which may indicate whether a domain name is abusive include circumstances indicating that the Registrant has registered (or otherwise acquired) the domain name primarily unfairly to disrupt the business of the Complainant. In the Adjudicator's view, the circumstances surrounding the fraudulent use of the aforementioned email addresses fall fairly and squarely within this notion. Accordingly, this

indicates that there is abuse. It is also not irrelevant that no evidence or contentions have been put forward by the Registrant which would otherwise exonerate this conclusion of abusive use.

5 Decision

For the foregoing reasons the Adjudicator finds that the domains are abusive.

In accordance with Regulation 9 the Adjudicator orders that the domains <massrnat.co.za> and <rndd.co.za> be transferred to the First Complainant.

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ADV OWEN SALMON SC
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za