

ADJUDICATOR DECISION

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| CASE NUMBER: | ZA2016 - 0240 |
| DECISION DATE: | 2 August 2016 |
| DOMAIN NAME | verizondigital.co.za |
| THE DOMAIN NAME REGISTRANT: | PRIVEN REDDY |
| REGISTRANT'S LEGAL COUNSEL: | None |
| THE COMPLAINANT: | VERIZON TRADE MARK SERVICES LLC |
| COMPLAINANT'S LEGAL COUNSEL: | Adams & Adams |
| THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR: | ZA Central Registry (CO.ZA Administrators) |

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **1 June 2016**. On **2 June 2016** the SAIPL transmitted by email to the ZA Central Registry (ZACR) a request for the registry to suspend the domain name(s) at issue, and on **2 June 2016** the ZACR confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute [together with the amendment to 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 **6 June 2016**. In accordance with the Regulations the due date for the Registrant's Response was **5 July 2016**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **6 July 2016**.
- c. The SAIPL appointed **Janusz F Luterek** as the Adjudicator in this matter on **12 July 2016**. 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.

2) Factual Background

- 1.1. The Complainant, is the proprietor in South Africa of over 90 trade mark registrations for the mark VERIZON or variants of the mark or marks incorporating VERIZON. In particular, *inter alia*, VERIZON is registered in class 9 under registration number no. 2005/07983.
- 1.2. The Complainant is an intellectual property holding company and, as indicated above, is the proprietor of the VERIZON trade mark registrations. The Complainant has granted its affiliate company, Verizon Licensing Company, an exclusive licence to sublicense the use its

VERIZON trade mark and marks incorporating VERIZON ("the Complainant's VERIZON trade marks") in relation to, inter alia. various communications. IT and security products and services to the Complainant's affiliates. including its parent company Verizon Communications. Inc.

- 1.3. The affiliates of Verizon Communications ("the Verizon Companies") comprise one of the world's leading providers of communications, entertainment, IT and security products and services. The Verizon Companies have used, as licensees, the Complainant's VERIZON trade marks to provide these products and services since 2000. The Verizon Companies constitute the largest wireless company group (with 108.6 million retail connections) and the largest 4G L TE network in the United States of America. They serve 99% of the Fortune 500 customers and operate a global IP network in more than 2, 700 cities in more than 150 countries around the world, including in South Africa.

3) Parties' Contentions

a. Complainant

- i. As a result of the extensive and widespread use of the VERIZON trade marks by the Complainant's licensees, the Complainant's VERIZON trade mark has become well-known throughout the world, including in South Africa. The Complainant's trade mark VERIZON is a well-known trade mark in terms of Sections 34(1)(c) and 35 of the Trade Marks Act No. 194 of 1993.
- ii. The disputed domain name, verizondigital.co.za, wholly incorporates the Complainant's well-known VERIZON trade mark. The descriptive word "DIGITAL" does not serve to distinguish the domain name from the Complainant's VERIZON trade mark or its domain name "verizon.co.za" and the use and registration of the disputed domain name will, therefore, certainly cause deception and/or confusion. Use of the word DIGITAL along with the

Complainant's VERIZON trade mark is even more likely to cause deception and/or confusion, as the Complainant's mark VERIZON is well-known in respect of a wide variety of digital products and services. The Complainant provides a variety of communications, entertainment, IT and security products and services around the world, including in South Africa, all of which operate in the digital sphere. The Complainant's VERIZON trade mark is also registered in classes 9, 35, 38 and 42 in relation to a wide variety of digital goods and services. Consequently, use of the disputed domain name will lead to deception and/or confusion.

- iii. Adams and Adams addressed a letter to the Registrant on 9 July 2016 and they were contacted by the Registrant who alleged that he intended to use the disputed domain name in respect of an "augmented reality". At the same time, the Registrant also enquired whether he could merely keep the domain name if he no longer intended to use it. The Registrant further indicated that he would send an e-mail to the Complainant's attorneys in respect of the Complainant's demands.
- iv. No further reply was received from the Registrant and a reminder was sent to him, during August 2013. In reply, the Registrant sent an e-mail, dated 22 August 2013, to the Complainant's attorneys. The Registrant advised that he had decided that the Complainant may "have" the domain name and enquiring about possible compensation.
- v. In response to the Registrant's solicitation of an offer to purchase the domain name, the Complainant offered to compensate the Registrant in an amount of R500 for transfer of the domain name. The amount would cover the Registrant's reasonable out-of-pocket expenses for registering and administering the domain name. The Complainant has confirmed that Gridhost, the .co.za registrar used by the Registrant, currently charges only R99.95 per year for a domain name registration. This offer was rejected by the

Registrant and on 12 March 2014, the Complainant's attorneys sent a letter to the Registrant indicating that the Complainant had agreed to increase its offer to R1 500. This was a final offer.

- vi. The Complainant's attorneys did not receive a substantive response to this final offer and sent further reminders. When it appeared that a substantive response was not forthcoming, the Complainant's attorneys contacted the Registrant telephonically on 28 June 2014. The Registrant alleged that he intended to use the domain name for a new division of the company (presumably Kagiso Interactive SA). The Registrant then indicated that he was not willing to accept the Complainant's offer of R 1500 and that he would then simply use the domain name for content that is not related to the Complainant's field of interest, in order to prevent the Complainant from instituting a domain name complaint. However, the Registrant indicated that he would be willing to accept an offer of R 10 000 for transfer of the domain name.
- vii. The Registrant's offer to transfer the domain name for the amount of R 10 000 is exorbitant and is far in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring or using the domain name and transferring the domain name.
- viii. The Complainant submits that the Registrant's registration of the domain name verizondigital.co.za is an abusive registration and that the Registrant is taking unfair advantage of the Complainant's rights.
- ix. The disputed domain name wholly incorporates the Complainant's VERIZON trade mark. The Complainant's VERIZON trade mark is also the memorable and dominant element of the disputed domain name, verizondigital.co.za. The addition of the word DIGITAL does not serve to distinguish the disputed domain name from the Complainant's trade mark. This is even more so if it is taken into

consideration that the Complainant's VERIZON trade mark is used in respect of. inter alia, digital media goods and services. With reference to case law, Complainant contends that the domain name verizondigital.co.za is likewise confusingly similar to the Complainant's VERIZON trade mark.

- x. The Complainant contends that the Registrant has no rights or legitimate claims in respect of the domain name verizonidgital.co.za. The disputed domain name does not currently redirect to an active website and no indication could be found that the Registrant makes any use of the marks VERIZON or VERIZON DIGITAL. In addition, it is submitted that any allegations of intended and alleged legitimate use of the disputed domain name by the Registrant should be rejected. The Registrant has made it clear that it has no real legitimate interest registering or using the domain name, as the Registrant willing to use the domain name for any goods and service merely to prevent the Complainant from exercising its rights and objecting to the use and registration of the domain name.
- xi. The Complainant further contends that the Registrant's conduct amounts to an unfair disruption of the business of the Complainant's licensees. As a direct result of the registration of the domain name, potential customers interested in the goods and services of the Complainant's licensees, may be redirected to the disputed domain name. It is submitted that internet traffic that should reach the Complainant and its licensees will be diverted as a result and to the prejudice of the Complainant and its licensees. The Complainant also relies on Telkom SA Limited v Cool Ideas 1290 CC [ZA2007 -0003] where it was confirmed that the disruption of the business of a Complainant may be inferred of the Registrant has registered a variation of the Complainant's mark by merely adding a generic word, such as the case with the disputed domain name verizondigital.co.za.

- xii. The Complainant further contends, furthermore, it is submitted that the registration and use of the disputed domain name would lead people and/or businesses to believe that the domain name is registered to, operated by, authorised by and/or associated in some way to the Complainant, when this is not the case. The disputed domain name, therefore, creates the impression that the Registrant is in some way associated and/or connected to the Complainant, due to the similarity between the disputed domain name and the Complainant's well-known VERIZON trade mark. In this regard, the Complainant refers to Telkom SA Limited v Cool Ideas 1290 CC [ZA2007 -0003].
- xiii. The Complainant requests that the Adjudicator issues a decision for the transfer of the disputed domain name in terms of Regulation 9(a) if the domain name is found to be an abusive registration.

b. Registrant

- i. The Registrant as Respondent did not reply to the Complainant's contentions.

4) Discussion and Findings

a. Complainant's Rights

- i. Complainant has rights in respect of a name or mark which is identical or similar to the domain name in dispute, for example, VERIZON is registered in class 9 under registration number no. 2005/07983.
- ii. In the UDRP case of Red Bull GmbH vs Harold Gutch (02000/0766), the panel also found that the registration of a domain name which incorporates the well-known trade mark of another effectively prevents the trade mark owner from using its distinctive and well-known trade mark in the corresponding

domain name. It is the Adjudicator's view in the present matter that the disputed domain name in this case similarly prevents Complainant from using its VERIZON trade mark and therefore that the disputed domain name prevents the Complainant from exercising its rights in the VERIZON trade mark.

b. Abusive Registration

- i. The Registrant's conduct amounts to an unfair disruption of the business of the Complainant's licensees. As a direct result of the registration of the domain name, potential customers interested in the goods and services of the Complainant's licensees, may be redirected to the disputed domain name. It is submitted that internet traffic that should reach the Complainant and its licensees will be diverted as a result and to the prejudice of the Complainant and its licensees. In *Telkom SA Limited v Cool Ideas 1290 CC [ZA2007 -0003]* it was confirmed that the disruption of the business of a Complainant may be inferred if the Registrant has registered a variation of the Complainant's mark by merely adding a generic word, such as the case with the disputed domain name *verizondigital.co.za*.
- ii. The registration and use of the disputed domain name would lead people and/or businesses to believe that the domain name is registered to, operated by, authorised by and/or associated in some way to the Complainant, when this is not the case. The disputed domain name, therefore, creates the impression that the Registrant is in some way associated and/or connected to the Complainant, due to the similarity between the disputed domain name and the Complainant's well-known VERIZON trade mark. This finds support in *Telkom SA Limited v Cool Ideas 1290 CC [ZA2007 -0003]*.
- iii. The circumstances relating to the registration of the disputed domain name in the name of the Registrant are unknown and

since the Registrant has failed to respond to the Complaint, the only conclusion that can be drawn is that the Registrant was never within his rights to register the disputed domain name in its own name. Thus, in terms of Regulation 5(c) the burden to show that the registration was not abusive shifts to the Registrant, who as stated previously failed to respond and has not discharged that burden.

- iv. Thus, under the circumstances there is sufficient evidence indicating that the Registrant has registered or otherwise acquired the domain name in an abusive manner in accordance with Regulation 4(1):
 1. to block intentionally the registration of a name or mark in which the Complainant has rights;
 2. to disrupt unfairly the business of the Complainant; or
 3. to prevent the Complainant from exercising his, her or its rights.
- v. Thus, under all the circumstances the registration of the domain verizondigital.co.za is held to be abusive.

c. Offensive Registration

- i. NOT APPLICABLE

5) Decision

- a. For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, verizondigital.co.za be transferred to the Complainant.

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Janusz F Luterek
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za