

Decision

[2016-0243]

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2016-0243
DECISION DATE:	07 October 2016
DOMAIN NAME	worldsportsbet.co.za
THE DOMAIN NAME REGISTRANT:	DayNi
REGISTRANT'S LEGAL COUNSEL:	Moore Attorneys
THE COMPLAINANT:	World Sports Betting (Pty) Ltd
COMPLAINANT'S LEGAL COUNSEL:	Cranko Karp Attorneys
2 nd LEVEL ADMINISTRATOR:	ZA Central Registry (CO.ZA)

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIIPL”) on **26 July 2016**. On **27 July 2016** the SAIIPL transmitted by email to ZACR a request for the registry to suspend the domain name at issue and on the same day ZACR confirmed that the domain name had indeed been suspended. The SAIIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”), and the SAIIPL’ s Supplementary Procedure.
- b) In accordance with the Regulations, the SAIIPL formally notified the Registrant of the commencement of the Dispute on **28 July 2016**. In accordance with the Regulations, the due date for the Registrant’s Response was **26 August 2016**. On **25 August 2016**, the Registrant’s legal representatives, Moore Attorneys, sought an extension of time, until **16 September 2016**, within which to submit the Registrant’s response to the Complaint. The SAIIPL’s Case Administrator granted the extension and notified the parties of her decision on **29 August 2016**. The Registrant did not submit any response and, accordingly, the SAIIPL notified the Registrant of its default on **21 September 2016**.
- c) In accordance with the Regulations, the SAIIPL proceeded with the appointment of an Adjudicator.
- d) The SAIIPL appointed **Mr Gérard du Plessis** as the Senior Adjudicator and **Mr Dale Healy** as the Trainee Adjudicator in this matter on **29 September 2016**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIIPL to ensure compliance with the Regulations and Supplementary Procedure.

2 Factual Background

- 2.1 The Complainant was incorporated, on 26 July 2002, as World Sports Betting CC in terms of the provisions of the Close Corporations Act 69 of 1984, under registration no. 2002/059192, and was converted to a private company under the same name on 25 June 2015, under registration no. 2015/221449/07.
- 2.2 The Complainant alleges that it commenced using the name WORLD SPORTS BETTING as a bookmaker in 2002 and has since used the name and related domain names and trade marks (identified immediately below) extensively in “the bookmaking and betting industry” and that “the marks have become synonymous with the Complainant’s business” .
- 2.3 The Complainant registered the domain names:
- 2.3.1 worldsportsbetting.co.za on 22 September 2003;
 - 2.3.2 wsb.co.za on 21 January 2005; and
 - 2.3.3 worldsports.co.za on 21 April 2008.
- 2.4 The Complainant is the proprietor of South African trade mark registrations, with an effective date of 14 November 2011, for the trade mark WORLD SPORTS BETTING in logo format (reproduced below) in class 41 for “*Betting and gambling activities*” (registration no. 2011/30485) and in class 42 for “*Online website services in relation to gambling and betting*” (registration no. 2011/30486).



- 2.5 Both trade mark registrations are endorsed to the effect that “*Registration of this trade mark shall give no right to the exclusive use of the phrase “SPORTS BETTING” separately and apart from the mark*” and that “*Applicant admits that registration of this trade mark shall not debar others from the bona fide descriptive use in the ordinary course of trade of the word*”

“WORLD” ’ .

2.6 The Complainant filed trade mark applications nos. 2014/33230-31 for the word trade mark WORLD SPORTS BETTING in classes 41 and 42, for services that correspond with those covered by its aforementioned trade mark registrations. The applications were filed on 5 December 2014 and remain pending.

2.7 The Registrant registered the disputed domain name on 26 October 2013.

3 Parties' Contentions

3.1 Complainant

- a) What follows is a summary of the Complainant's factual and legal grounds for its Complaint.
- b) The Complainant has acquired rights to the name WORLD SPORTS BETTING, more particularly intellectual property rights and commercial rights and that the disputed domain name is *'extremely similar and confusing to the Complainant's Registered company name, Trade name, and domain name with the only difference being the Complainant's trade names etc end with the suffix "ing" .'* These rights have been in existence since 2002.
- c) The Complainant came to know of the existence of the disputed domain name in August 2015. Its Mr Ivan Zaltsman sent an e-mail to the Registrant on 2 September 2015 to enquire about the possibility of purchasing the disputed domain name. The Registrant responded on 9 September 2015, saying that it would sell the domain name for USD 30 000.
- d) On 11 September 2015, the Registrant sent a further e-mail to the Complainant, stating that it had received an offer from Betxchange, a direct competitor of the Complainant, to purchase the disputed domain name for USD 28 000.

- e) The disputed domain name was subsequently redirected to the website of Betxchange, situated at www.betxchange.co.za.
- f) The disputed domain name is abusive because:-
 - i) the Registrant registered it primarily to sell, rent or otherwise transfer it to the Complainant or a competitor of the complainant (in casu, Betxchange) for valuable consideration in excess of its reasonable out-of-pocket expenses directly associated with acquiring or using the domain name; and
 - ii) the Registrant's conduct in diverting the domain name to the website of the competitor will lead members of the public to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.
- g) On these grounds, the disputed domain name should be transferred to the Complainant.

3.2 Registrant

- a) The Registrant did not file a Response.

4 Discussion and Findings

- a) The Complainant must prove on a balance of probabilities that it has rights in respect of a name or mark which is identical or similar to a domain name and, in the hands of the registrant, the domain name is an abusive registration [Regulation 3]. "Rights" and "registered rights" are defined in Regulation 1 and include, without limitation, intellectual property rights and commercial rights.

4.1 Complainant's Rights

- 4.1.1 The Complainant asserts rights to the mark WORLD SPORTS

BETTING by virtue of its trade mark registrations and the use it claims to have made of that mark since 2002. It describes these rights as “intellectual property rights” and “commercial rights” which, if established, would meet the definition of “rights” or “registered rights” (in the case of the trade mark registrations), as defined in Regulation 1.

4.1.2 It is convenient to deal upfront with the question of whether the Complainant has proved that it has acquired rights to the mark WORLD SPORTS BETTING as a result of its alleged use of that mark since 2002. The Complainant is required to prove that the mark has acquired a reputation, such that it has become symbolic of the Complainant’s goodwill. Whether that right is termed a commercial right or an intellectual property right is not important. It is trite that the mere registration of a company name or domain name confers no such right [Mxit Lifestyle (Pty) Ltd vs. Andre Steyn (ZA2008-0020)]. The Adjudicator, accordingly, finds that the Complaint has not proved a protectable right arising from the mere existence of the close corporation name World Sports Betting CC, the company name World Sport Betting (Pty) Limited, or the domain names worldsportsbetting.co.za, wsb.co.za or worldsports.co.za. Although somewhat out of context, it is also convenient to state that the domain names wsb.co.za and worldsports.co.za are in any event not similar to the disputed domain name. The adjudicator, therefore, finds as such and decides that those domain names are not relevant to his decision.

4.1.3 The only proven use of the mark WORLD SPORTS BETTING appears on a copy of an advertisement marked Annexure “I” to the Complaint. Annexure “I” is a copy of a single advertisement which was seemingly in circulation (though no details are supplied) in 2005 - that is, 6 years prior to the registration of the disputed domain name. The Complainant alleges that it is not in possession of copies of earlier advertisements but states that it traded under the name

“World Sports Betting” since 2002. This does not change the fact that the Complainant is required to prove its case on a balance of probabilities. It also does not explain why the Complainant did not prove its use of the name with reference to other suitable documentary evidence. The Adjudicator finds that the Complainant has failed to prove that it has acquired common law rights to the mark WORLD SPORTS BETTING.

4.1.4 It is also convenient to dispose of the Complainant’s reliance on its trade mark applications for the word trade mark WORLD SPORTS BETTING. Trade mark applications confer no statutory rights.

4.1.5 The Complainant, however, also relies on two trade mark registrations for WORLD SPORTS BETTING in logo format. The trade mark registrations are valid and in force and have been proved with reference to certificates of registration issued by the Registrar of Trade Marks. The Adjudicator is required to decide whether the disputed domain name is identical or similar to the Complainant’s registered trade mark. The mark WORLD SPORTS BETTING *per se* comprises ordinary descriptive words and does not possess a high degree of inherent distinctiveness. In that context, the disclaimer and admission entered against the Complainant’s trade mark registrations are not surprising and demand closer attention. Both registrations disclaim exclusive rights to *‘the phrase “SPORTS BETTING” separately and apart from the mark’* and are endorsed with the admission that the *‘registration of this trade mark shall not debar others from the bona fide descriptive use in the ordinary course of trade of the word “WORLD” ’*.

4.1.6 The effect of a disclaimer is that the use of the disclaimed features of a registered trade mark alone cannot infringe the rights conferred by the registration of the trade mark¹. The Adjudicator is mindful that he is not required to decide the issue of trade mark infringement but

¹ Webster & Page: South African Law of Trade Marks, at par 9.8, pp 9-8

² para 3.12, pp 9-12 and the authority cited there - Diamond T Motor Car Co’s APPN (1921) 38

must nevertheless make a finding on the ambit of the rights conferred by the registered trade mark with reference to the disclaimer. According to Webster & Page², “*the effect of a disclaimer is not that the disclaimed feature is entirely ignored for assessing whether a mark is capable of distinguishing as a whole and it follows that a composite mark can be capable of distinguishing even though each of its separate parts is non-distinctive per se and has been disclaimed*” . Webster & Page go on to state that although a trade mark proprietor cannot bring an action for infringement in respect of the use of a disclaimed feature, the court is nevertheless entitled to take into account the disclaimed feature in the defendant’s mark in determining whether that mark, as a whole, is confusingly or deceptively similar to the plaintiff’s mark³. Crucially, only the words “SPORTS BETTING” are disclaimed from the Complainant’s trade mark registrations. The Adjudicator accordingly finds that the trade mark registrations, properly interpreted in the light of the disclaimer, confer exclusive rights to the composite (word) trade mark WORLD SPORTS BETTING, at least in principle. The rider is that the trade mark is registered in logo format and, therefore, the trade mark in its registered format is to be compared with the disputed domain name in determining whether it is similar to the disputed domain name within the meaning of Regulation 3 (1)(a). Practically, this means that the registered trade mark must be held to be similar to the disputed domain name unless the difference between the words “-Betting” and “-bet” or the additional matter making up the registered trade mark distinguishes that mark from the disputed domain name.

- 4.1.7 The classical tests for the comparison of trade marks in order to determine their deceptive or confusing similarity are set out in the Plascon-Evans⁴ case as follows:

² para 3.12, pp 9-12 and the authority cited there - Diamond T Motor Car Co’s APPN (1921) 38 RPC 373 383

³ par 9.19, pp 9-16

⁴ Plascon – Evans Paints v Van Riebeeck Paints 1984 (3) 623 (A), 640 (i) – 641 (E)

“The determination of these questions involves essentially a comparison between the mark used by the Defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the Defendant’s mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. The notional customer must be conceived of a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the Defendant’s mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods” .

- 4.1.8 The enquiry involved in determining the likelihood of deception and confusion when comparing trade marks, is also dealt with in Smithkline Beecham Consumer Brands (Pty) Ltd v Unilever Plc 1995 (2) SA 903 (A) which cites the Plascon-Evans case. Whilst this case dealt with the provisions of section 17 (1) of the repealed Act, it is submitted that it is equally applicable to the present matter. At 909G - 910H the Court held:

“The respondent’s objection to appellant’s application for the registration of these trade marks was based on the provisions of s

17(1) of the Act. The relevant provisions of that section read as follows:

'17(1) . . . (N)o trade mark shall be registered if it so resembles a trade mark belonging to a different proprietor and already on the register that the use of both such trade marks in relation to goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion.'

The touchstone is therefore whether there is such a degree of similarity between the respondent's trade mark and those of the appellant as to give rise to the likelihood of consumer deception or confusion. The ultimate function of a trade mark is, after all, to be a source of identification. It is defined in s 2 of the Act as

'a mark used or proposed to be used in relation to goods . . . for the purposes of -

- (a) indicating a connection in the course of trade between the goods and some person . . . and*
- (b) distinguishing the goods . . . in relation to which the mark is used or proposed to be used, from the same kind of goods . . . connected in the course of trade with any other person'.*

The onus of proving that there is no likelihood of consumer deception or confusion must rest on the appellant who is seeking such registration. I agree with the conclusion arrived at by Harms J in The Upjohn Company v Merck and Another 1987 (3) SA 221 (T) at 224 that the word 'likely' in s 17(1) must refer to a reasonable probability, in contradistinction to a reasonable possibility.

How a Court should approach an issue such as the one confronting us has been considered in a vast array of judgments. The salient guidelines have been conveniently summarised by the present Chief Justice in Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd

1984 (3) SA 623 (A) where at 641 he remarks that the comparison must have regard to:

'the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the marketplace and against the background of relevant surrounding circumstances. The marks must not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impressions or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with a generic description of the goods.'

The case I have just referred to was one of infringement of a registered trade mark under s 44 of the Act, but the principles to be applied in comparing the competing marks are equally applicable to the issue before us. Naturally all the criteria referred to might not necessarily find application to the facts of the present case, but they

are nevertheless instructive as to the general ambit of the enquiry. [See too American Chewing Products Corporation v American Chicle Company 1948 (2) SA 736 (A); Laboratoire Lachartre SA v Armour-Dial Incorporated 1976 (2) SA 744 (T)” .

- 4.1.9 In Cowbell AG v ICS Holdings Ltd 2001 (3) SA 941 (SCA) the Supreme Court of Appeal held as follows at 947 H - 948 D:

*“Section 17(1) creates an absolute bar to registration provided the jurisdictional fact is present, namely that the use of both marks in relation to goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion. The decision involves a value judgment and '[t]he ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business'. (SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd) v Unilever plc 1995 (2) SA 903 (A) at 912H.) 'Likelihood' refers to a reasonable probability (*ibid* at 910B), although the adjective 'reasonable' is perhaps surplusage. In considering whether the use of the respondent's mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used (The Upjohn Company v Merck and Another 1987 (3) SA 221 (T) at 227E - F; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc (formerly Pathé Communications Corporation) [1999] RPC 117 (ECJ) para 28). Registered trade marks do not create monopolies in relation to concepts or ideas. More recently this Court in Bata Ltd v Face Fashion CC and Another 2001 (1) SA 844 (SCA) at 850 para [9] pointed out that the approach adopted in Sabel BV v Puma AG, Rudolf Dassler Sport [1998] RPC 199 (ECJ) at 224 accords with our case law. There it was said that the likelihood of confusion must 'be appreciated globally' (*cf* Organon Laboratories Ltd v Roche Products (Pty) Ltd 1976 (1) SA 195 (T) at*

202F - 203A) and that the 'global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components'. Compare SmithKline at 910B - H and Canon paras [16] - [17] ” .

4.1.10 The likelihood of confusion must “*be appreciated globally*” . Our courts have adopted the approach of the European Court of Justice in Sable BVV Puma AG, Rudolf Dassler Sport⁵ where the following was stated:

“Global appreciation of the visual, oral or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components.”

4.1.11 In paragraph 13 of the judgment in Century City Apartments Property Services CC and Another v Century City Property Owners' Association⁶ the SCA refer to the matter of Compass Publishing BV v Compass Logistics Ltd [2004] EWHC 520 (Ch) at paragraphs 24 - 25, quoting Laddie J as follows:

“The likelihood of confusion must be appreciated globally, taking account of all relevant factors. It must be judged through the eyes of the average consumer of the goods or services in question. That customer must be taken to be reasonably well informed and reasonably circumspect and observant, but he may have to rely upon an imperfect picture or recollection of the marks. The court should factor in the recognition that the average consumer normally perceives a mark as a whole and does not analyse its various details. The visual, aural, and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant

⁵ [1998] RPC 199 (ECJ) 224.

⁶ 2010 (3) SA 1 (SCA).

components. Furthermore, if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion.”

4.1.12 In Yair Shimansky v Browns the Diamond Store⁷ the SCA considered the global appreciation test in the context of early authorities and stated the following at para [8] of the judgment:

“It is important, however, to take into account a number of cases that state that a likelihood of deception or confusion in any of the characteristics of sense, sound or appearance will be sufficient to give rise to an infringement. That said, the trade mark must be considered globally - as a whole” .

4.1.13 The Adjudicator is mindful that the aforementioned authorities must be interpreted in the light of the well-established principle that, in comparing names or marks which are largely descriptive, consumers will be attuned to differentiating between marks with reference to small differences.⁸

4.1.14 However, having regarding to the Adjudicator’s finding on the effect of the disclaimer - in particular, the fact that the disclaimer does not apply to “WORLD SPORTS BETTING” as a whole - the Adjudicator is constrained to take the view that those words in combination were viewed by the Registrar of Trade Marks as being sufficiently distinctive for purposes of registration.

4.1.15 The device of a world globe which occupies the “O” in “WORLD” in the Complainant’s mark is likely so commonplace that it is unlikely to have a significant impact on the mind of the average consumer. It is only that element, and little else, which

⁷ 2014 BIP 341 (SCA).

⁸ Webster & Page: South African Law of Trade Marks, at par 15.19, pp 15-51

renders the Complainant's registered trade mark a logo mark and not a pure word mark. This again brings the effect of the disclaimer to the fore.

4.1.16 That leaves the question of whether “-bet” in the disputed domain name is sufficiently dissimilar to “-BETTING” in the Complainant's registered trade mark. In the Adjudicator's view, it is not.

4.1.17 Against the background of the authorities cited above, the Adjudicator finds that the disputed domain name is similar to the Complainant's registered trade mark in sense, sound and appearance.

4.2 Abusive Registration

4.2.1 Regulation 1 defines an “abusive registration” as “a domain name which either-

(a) 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

(b) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights” .

4.2.2 Two established indications of abusiveness, referred to in regulation 4(1), are advanced by the Complainant. In particular, the Complainant alleges that there are circumstances indicating:-

4.2.2.1. that the Registrant registered or acquired the domain name primarily to sell, rent or otherwise transfer the domain name to it or one of its competitors for valuable consideration in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring or using the domain name [Regulation 4(1)(a)(i)]; and

4.2.2.2. that the Registrant is using, or has registered, the domain name in a way that leads businesses or people to believe

that the domain name is registered to, operated or authorised by, or otherwise connected with the complainant [Regulation 4(1)(b)].

4.2.3 On the undisputed version of the Complainant, the Registrant offered to sell to disputed domain to the Complainant for USD 30 000 and that the Registrant attempted to negotiate the price with a threat (whether actual or veiled is immaterial) to sell the disputed domain name to a direct competitor of the Complainant. The Adjudicator finds, therefore, that the Registrant registered the disputed domain name primarily to sell it to the Complainant or a competitor for a sum of money exceeding its out-of-pocket costs.

4.2.4 The Complainant's undisputed version is that the disputed domain name was directed to the same competitor's website. The adjudicator finds that the registrant is using the domain name in a way that leads businesses or people to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant. The Adjudicator is mindful that the mere registration of the disputed domain name may be sufficient to reach the same conclusion but finds, on the facts, that the manner in which the domain name has been used is a compelling indication of abusiveness.

4.2.5 On a balance of probabilities, the Adjudicator finds that the disputed domain name is an abusive registration.

5. Decision

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

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Gerard du Plessis

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