

Decision

[ZA2016-0239]

.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)

ADJUDICATOR DECISION

CASE NUMBER:	ZA2016-0239
DECISION DATE:	24 June 2016
DOMAIN NAME	optimsm.co.za
THE DOMAIN NAME REGISTRANT:	John Forte
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	Cardinal Associates, Inc
COMPLAINANT'S LEGAL COUNSEL:	Spoor & Fisher
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 “SAIPL”) on **10 May 2016**. On the same day the SAIPL transmitted by email to ZA Central Registry (ZACR) a request for the registry to suspend the domain name at issue, and on **10 May 2016** ZACR confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”).

- b) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **10 May 2016**. In accordance with the Regulations the due date for the Registrant’s Response was **07 June 2016**. The Registrant, by way of email, submitted its Response on **10 May 2016** and the Response did not satisfy the formal requirements of the Regulations. On **23 May 2016** the SAIPL notified the Registrant of its deficient Response and invited the Registrant to either file a proper Response in accordance with Regulation 18, or confirm whether an Adjudicator could be appointed. The SAIPL made it clear to the Registrant that if no full compliant Response was submitted, the SAIPL would have no option but to regard the Registrant in Default and proceed with the appointment of an Adjudicator. On **23 May 2016**, the Registrant responded by email, as follows:-

“I sent my response last week.

Take it or leave it.”

The SAIPL forwarded a copy of the deficient Responses to the Complainant on **23 May 2016**. The Complainant did not submit any Reply to the deficient Response.

- c) As no proper and compliant Response was submitted by the Registrant, the

SAIIP undertook to refer the deficient Response to the Adjudicator for consideration as to its admissibility and merit. The SAIIP regarded the Registrant in Default and proceeded with the appointment of an Adjudicator.

- d) The SAIIP appointed **Mr. Andrew Papadopoulos** as the Adjudicator in this matter on **13 June 2016**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIIP to ensure compliance with the Regulations and Supplementary Procedure.
- e) The Adjudicator has considered whether the Registrant's deficient Response should be admitted at all. The deficient Response is in the form of an email and does not contain all of the information stipulated in Regulation 18, nor has it been certified as contemplated in Regulation 18. It appears that little effort was made by the Registrant to comply with the provisions of Regulation 18.
- f) In <embassytravel.co.za>¹, the Adjudicator held that less than perfect compliance does not result in a nullity. Nevertheless, the Adjudicator agrees with the view held in <suncityshuttle.co.za>² that there is a difference between less than perfect compliance and no compliance at all, and that the adjudication in <embassytravel.co.za> should not be read as requiring a “response” to be admitted in a situation where there is no attempt at compliance with Regulation 18.
- g) In the present circumstances, as was the case in <suncityshuttle.co.za>, the Adjudicator sees no prejudice to the Complainant in having regard to the deficient Response and, in any event, it will be shown below that the

¹ ZA2008-0024 at paragraph 20.

² ZA2008-0025 at paragraph e.

Response carries little weight in advancing the Registrant's case having regard to the scantiness of information contained therein.

- h) The Adjudicator gave consideration as to whether a further statement from the Registrant should be requested in terms of Regulation 26 to supplement the deficient Respondent but considered this would not be appropriate in the present circumstances, particularly in light of the Registrant's second email on 23 May 2016 to the SAIPL referred to above. It is the Adjudicators view in this matter, as was the view of the Adjudicator in <suncityshuttle.co.za>³, that the Registrant was afforded a proper opportunity to file a proper Response and he must bear the consequences of failing to deliver such a response in terms of Regulation 18.

2 Factual Background

- 2.1 The following facts alleged by the Complainant in the Complaint were not disputed by the Registrant:
- 2.2 The Complainant is Cardinal Associates Inc., a corporation organised under the laws of the United States of America. The Complainant is the owner of various "OPTIMISM" trade mark registrations in South Africa in relation to dietary food supplements, for both humans and animals. Copies of the register sheets setting out details of the trade mark registrations were attached to the Complaint and its earliest "OPTIMISM" trade mark registration dates back to 2004. The Complainant's advises that its "OPTIMISM" product is an "ultra-pure nutrient for human use" and is a flagship brand of the Complainant.
- 2.3 The Complainant also claims that it has secured registration of its

³ *Supra* at paragraph g.

“OPTIMSM” trade mark throughout other countries worldwide and its “OPTIMSM” brand is globally recognised. A schedule setting out details of the trade mark registrations was attached to the Complaint.

- 2.4 The Complainant is also the owner of several domain names incorporating the “OPTIMSM” mark, including “optimsm.org”, “optimsm.com”, “optimsm.biz” and “optimsm.us”.
- 2.5 The Complainant’s “OPTIMSM” trade marks have been in the market since at least 1997 and the Complainant contends that they are well-known and reputed in respect of the human and animal nutritional supplements industries. Evidence of sales in South Africa of the Complainant’s goods bearing the “OPTIMSM” trade marks from 2005 was attached to the Complaint.
- 2.6 According to the Complainant, its “OPTIMSM” trade mark is an immensely valuable item of intellectual property, which has been used on an extensive scale in South Africa and enjoys a substantial repute and goodwill.
- 2.7 The Registrant is John Forte and is, according to a Whois search conducted on 15 September 2015, the owner of Medico Herbs.
- 2.8 On or about January 2015, the Complainant became aware of the Registrant’s domain name, OPTIMSM.CO.ZA, which was registered on 2 October 2013. The Disputed Domain Name incorporates the Complainant’s “OPTIMSM” trade mark in its entirety. The Complainant’s attempts to contact the Registrant through its website, requesting the transfer of the Disputed Domain Name to the Complainant, were unsuccessful.
- 2.9 On 25 May 2015, the Complainant’s attorneys addressed a letter of demand to the Registrant in terms of which the Complainant advised the Registrant

that the use of the “OPTIMSM” trade mark by the Registrant in relation to the Disputed Domain Name constituted trade mark infringement and that the domain name constituted an abusive registration. The Complainant demanded, *inter alia*, that the Registrant voluntarily and unconditionally transfer the Disputed Domain Name to the Complainant. The Registrant’s response to the letter of demand comprised of one sentence in an email, as follows:-

“We have been importing our own MSM for over 10 years and own many domain names associated with our product range.”

2.10 The Complainant responded to the Registrant by informing the Registrant that its importation of MSM and its various other domain name registrations do not afford the Registrant any rights in the “OPTIMSM” name. No further response was received from the Registrant.

3 Parties’ Contentions

3.1 Complainant

- a) **The domain name is identical or similar to a name or mark in which the Complainant has rights. [Regulation 3(1) (a)]**

The Complainant avers that the Disputed Domain Name is identical to a trade mark in which the Complainant has rights or at the very least, is similar thereto.

The Disputed Domain Name incorporates the Complainant's “OPTIMSM” trade mark in its entirety. The Complainant relies on its registered trade marks and its common law rights through its use of the “OPTIMSM” trade mark in South Africa. The Complainant has acquired registered trade mark rights in over ten other jurisdictions in

relation to nutritional supplements.

b) **The domain name in the hands of the Registrant is an abusive registration. [Regulation 3(1) (a)]**

The Complainant avers that the Disputed Domain Name is an abusive registration because it was registered in a manner that, at the time when it was registered, took unfair advantage of and was unfairly detrimental to the Complainant's rights.

The Complainant relied on the adjudication in <**fifa.co.za**>⁴ wherein the Adjudicator referred, with approval, to the following finding of the Expert in Nominet DRS 00658 *Chivas Brothers Ltd v David William Plenderleith*:-

"Where a Respondent registered a domain name

- 1) which is identical to a name in respect of that which the complainant has rights;*
- 2) where that name is exclusively referable to the complainant;*
- 3) where there is no obvious justification for the Respondent having adopted that name for the domain name;*
- 4) where the Respondent has come forward with no explanation for having selected the domain name, it will ordinarily be reasonable for an expert to infer first that the Respondent registered the domain name for a purpose and secondly that that purpose was abusive."*

The Complainant's registered trade mark rights predate the Disputed Domain Name by at least eight years. The Complainant argues that the Registrant's use of the "OPTIMISM" trade mark amounts to

⁴ ZA2007-0007 at paragraph 4.10

infringement in terms of sections 34(1)(a) and/or (b) of the South African Trade Marks Act and passing off in terms of the South African common law. The Complainant further argues that the Complainant's "OPTIMSM" trade mark is entitled to protection under the Paris Convention as a well-known mark in South Africa.

The Complainant avers that the Disputed Domain Name registration blocks the Complainant from using or registering the "OPTIMSM" name, in which it has rights, and thus preventing the Complainant from exercising its rights in the trade mark.

The Complainant further argues that the Disputed Domain name is likely to cause confusion to the effect that its "OPTIMSM" mark is somehow involved or connected with the Disputed Domain Name.

The Complainant contends that there is no obvious justification and/or explanation offered by the Registrant as to why it has registered a domain name identical to, or at the very least, confusingly similar to the Complainant's "OPTIMSM" trade mark. It is the Complainant's submission that the Registrant could only have registered the Disputed Domain Name with abusive and bad faith intent to mislead internet users to its website, in a deliberate attempt to leverage off the reputation associated with the Complainant's "OPTIMSM" trade mark.

In the circumstances, the Complainant has submitted that the Disputed Domain Name is an abusive registration in that:

- i. The Registrant has registered the domain name to block intentionally the registration of a name or mark in which the Complainant has rights [Regulation 4(1)(a)(ii)];
- ii. The Registrant has registered the domain name to disrupt

- unfairly the business of the Complainant [Regulation 4(1)(a)(iii)]; and/or
- iii. The Registrant has registered the domain name to prevent the Complainant from exercising its rights [Regulation 4(1)(a)(iv)].

- c) **The burden of proof shifts to the Registrant to show that the domain name is not an abusive registration. [Regulation 5(c)]**

Notwithstanding the Complainant's above arguments, the Complainant has argued that the registration of a domain name identical, or at the very least, confusingly similar to its "OPTIMSM" trade mark shifts the burden of proof to the Registrant to show that the registration is not abusive. In support of this submission, the Complainant referred to <fifa.co.za>⁵ wherein the Adjudicator stated that:-

"The name forming the subject of the domain name in question is the mark FIFA. This is identical to the mark in which the Complainant has alleged registered and common-law rights, and which the adjudicator finds established for the purposes of this complaint. This shifting of the burden of proof disposes of the matter, in that the Registrant has not responded to the complaint."

3.2 Registrant

- a) The Registrant, in its Deficient Response, did not reply to any of the Complainant's contentions directly. Instead, the Registrant, very

⁵ ZA2007-0007 at paragraph 4.7

generally, contended that it supplies and distributes imported and local herbs and supplements; that it has been trading for over 15 years; that it owns the domain name METHYSULFONYLMENTHAN.CO.ZA, amongst others, and that the OPTIMSM.CO.ZA domain name has been set up and has been in use for a number of years.

- b) The Registrant further submitted that it would consider an offer to purchase the domain name of \$1,000 - \$2,000, which will cover the transfer costs.

4 Discussion and Findings

4.1 Complainant's Rights

- 4.1.1 The Complainant is the proprietor of the registered trade mark “OPTIMSM” in South Africa. The Complainant’s statutory rights in the mark “OPTIMSM” date back to 21 September 2004.
- 4.1.2 The domain name, OPTIMSM.CO.ZA, is identical to the Complainant’s registered trade mark and the Disputed Domain Name contains no further elements. The Disputed Domain Name was registered on 2 October 2013.
- 4.1.3 Furthermore, the Complainant has presented substantiated claims relating to its common law rights. These claims are uncontested and are therefore accepted on a balance of probabilities.
- 4.1.4 As such, the Complainant has rights in respect of a name or mark “OPTIMSM” which is identical to the domain name,

OPTIMSM.CO.ZA, and which predate the registration of the Disputed Domain Name.

4.2 Abusive Registration

4.2.1 An abusive registration means a domain name which either:

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

The Complainant is required to prove, on a balance of probabilities, that the required elements are present.

4.2.2 However, in terms of Regulation 5(c) "*the burden of proof shifts to the Registrant to show that the domain name is not an abusive registration if the domain name (not including the first and second level suffixes) is identical to the mark in which the Complainant asserts rights, without any addition*".

4.2.3 Regulation 5(c) therefore creates a rebuttable presumption that a domain name registration is abusive if it is identical to the Complainant's registered trade mark without any additions. In such circumstances, the Registrant is required to show that the domain name is not abusive. Regulation 5 provides a non-exhaustive list of factors which the Registrant may raise to indicate that the disputed domain name is not an abusive registration.⁶

⁶ ZA2011-0078 at paragraph 4(a)(ii)

Regulation 5(a)(i) provides that the Registrant may show that it has, before being aware of the Complainant's cause of complaint, used the domain name in connection with a good faith offering of goods or services. In the Registrant's Deficient Response, the Registrant submitted that:

"We supply and distribute premium top quality imported and local herbs and supplements. We have been trading for over 15 years.

We own www.methysufonylmethan.co.za domain name amongst many other relating to our range.

The OPTIMSM.co.za domain has been set up and been in use for a number of years."

This statement hardly explains the Registrant's adoption of the Disputed Domain Name. The Adjudicator considers it unlikely that that a person in the position of Mr Forte, who appears to be in the field of supplying and distributing both imported and local herbs and supplements, would not have heard of or seen the Complainant's "OPTIMSM" supplement goods before registering the Disputed Domain Name, particularly in light of the fact that both parties appear to trade in, *inter alia*, goods comprising of methylsulfonylmethane. Furthermore, and as was held in the adjudication of <foodnetwork.co.za>⁷, the question of good faith does not apply to a situation where the Registrant has registered a domain name that is identical or similar to a name or mark in which the Complainant has shown it has prior rights.

Regulation 5(a)(ii) provides that the Registrant may show that it has, before being aware of the Complainant's cause of complaint, been

⁷ ZA2011-0078 at paragraph 4(a)(ii)

commonly known by the name or legitimately connected with a mark which is identical or similar to the disputed domain name. The Registrant made no submissions to this effect and so this factor does not apply in the present matter.

Regulation 5(a)(iii) provides that the Registrant may show that it has, before being aware of the Complainant's cause of complaint, made legitimate non-commercial or fair use of the domain name. The Registrant is making use of the Disputed Domain Name to direct internet users to its Medico Herb business, such use being for commercial purposes. Although it was the Complainant's contention that the Registrant does not offer any MSM products on its website, the Registrant has contended that it does import MSM and it supplies imported and local herbs and supplements. However, the Registrant made no submissions as to whether or not any of its goods on the website under the Disputed Domain Name are marketed under the identical or at least similar "OPTI" or "OPTIMSM" name or mark. Furthermore, the Registrant made no submissions to the effect that its use of the Disputed Domain Name is fair and so this factor does not apply in the present matter.

Regulation 5(b) provides that the Registrant may show that the domain name is used generically or in a descriptive manner and the Registrant is making fair use of it. The element "MSM" appearing in the Disputed Domain Name apparently relates to "methylsulfonylmethane". Where such a word or element is used in relation to goods such as supplements containing "methylsulfonylmethane", the element "MSM" (an abbreviation of "methylsulfonylmethane") appearing in the Disputed Domain Name may be deemed to be *prima facie* descriptive. Although the

Adjudicator is of the view that the Registrant may have intended to allude to this in its Deficient Response, the Registrant, in fact, made no submissions to this effect in its Deficient Response. The Registrant did, in its response to the Complainant's letter of demand, contend that it has sold MSM products for over a decade. This in itself, however, does not show that the Disputed Domain Name, OPTIMSM.CO.ZA, is used generically or in a descriptive manner or that such use is fair. The prefix "OPTI" does not appear in the Oxford English Dictionary and appears to have no particular meaning on its own. Words such as "OPTICS", "OPTIMAL", "OPTIMUM" and the perceptibly similar "OPTIMISM" have no generic or descriptive application to the herbs and/or supplement goods. The name or mark "OPTIMSM" is an invented word and is *prima facie* distinctive of the relevant goods. Furthermore, the Registrant's statement that it owns the domain name METHYSULFONYLMETHAN.CO.ZA does not in itself amount to a consideration that its use of the OPTIMSM.CO.ZA domain name is descriptive, generic or that such use is fair. The Registrant has simply provided no reasonable explanation for the linking of the element "MSM" with the prefix "OPTI", for fair use purposes, nor has it been shown that there are any other herbs and supplement goods bearing this name or mark other than that of the Complainant.

Regulation 5(c) provides that the Registrant may show that it has demonstrated fair use, which use may include websites operated solely in tribute to, or fair criticism of, a person or business. This factor does not apply in the present matter.

Regulation 5(d) does not apply in the present matter.

For all of the above reasons, and in light of the fact that the

Registrant failed to file a proper Response addressing the Complainant's allegations, the Adjudicator finds, on a balance of probabilities, that the Registrant has failed to enter sufficient evidence to rebut the presumption that the registration of the domain name, OPTIMSM.CO.ZA, is abusive. The Registrant therefore failed to discharge the onus placed upon him by Regulation 5(c). As such, the Adjudicator holds that the registration is presumed to be abusive by virtue of the fact that it is identical to the Complainant's registered trade mark without any further additions.

4.3 The Complainant's Contentions

4.3.1 It is not necessary to deal in detail with the Complainant's averments regarding the abusive nature of the registration of the Disputed Domain Name, OPTIMSM.CO.ZA, in terms of Regulation 4, as the Registrant has failed to discharge the onus placed upon him by Regulation 5(c) and therefore the domain name registration is presumed to be abusive by virtue of the fact that it wholly incorporates a mark, without any further addition, in which the Complainant has valid rights.

5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, OPTIMSM.CO.ZA be transferred to the Complainant.

.....
ANDREW PAPADOPoulos

SAIPL SENIOR ADJUDICATOR

www.DomainDisputes.co.za