

ADJUDICATOR DECISION

CASE NUMBER:	ZA2018-0352
DECISION DATE:	26 March 2019
DOMAIN NAME:	revitalash.co.za
THE DOMAIN NAME REGISTRANT:	Nadia Bredenhann (Albert Bredenhann)
REGISTRANT'S LEGAL COUNSEL:	Couzyn Hertzog & Horak Inc - FM Nel
THE COMPLAINANT:	Athena Cosmetics Inc.
COMPLAINANT'S LEGAL COUNSEL:	Von Seidels - Nick Pemberton
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	ZA Central Registry (ZACR)

Contents

1) Procedural History	2
2) Factual Background	3
3) Parties' Contentions.....	6
a. Complainant.....	6
b. Registrant	7
4) Discussion and Findings.....	8
a. Substantive Aspects	9
b. Rights in Respect of Name or Mark.....	9
c. Does the Complainant have Rights?.....	10
d. Is the Name or Mark Identical or Similar to the Disputed Domain Name?.....	12
e. Is the Disputed Domain Name an Abusive Registration?.....	13
5) Decision	18

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **6 December 2018**. On **18 December 2018** the SAIPL transmitted by email to the ZA Central Registry (ZACR) a request for the registry to suspend the disputed domain name at issue, and on **19 December 2018** ZACR confirmed that the disputed domain name had indeed been suspended. In response to a notification by the SAIPL that the Dispute was administratively deficient, the Complainant filed an amendment to the dispute on **15 December 2018**. 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 **9 January 2019**. In accordance with the Regulations the due date for the Registrant's Response was **6 February 2019**. The Registrant submitted its Response on **5 February 2019**, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on **6 February 2019**.
- c. In accordance with the Regulations the due date for the Complainant's Reply was **13 February 2019**. The Complainant submitted its Reply on **9 February 2019**.
- d. In accordance with the Regulations, the SAIPL notified the Parties on **12 February 2019** that the Dispute was being referred to the ZA Domain Name Authority to proceed with an informal mediation process. On **25 February 2019** the ZA Domain Name Authority notified the SAIPL that

it had conducted the informal mediation between the Parties and that the Parties were unable to achieve an acceptable resolution through mediation within the time-frame provided for in Regulation 19A. Accordingly, the Dispute was referred to adjudication.

- e. The SAIPL appointed **Christiaan J Steyn** as the Adjudicator in this matter on **27 February 2019**. 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

- a. The Complainant is Athena Cosmetics Inc, an active American Corporation having its principle place of business at 1838 Eastman Avenue, Suite 200, Ventura CA, 93003, United States of America.
- b. The Complainant is the sole and exclusive owner of the **REVITALASH** trade mark in various countries (included herein is a pending trade mark application in South Africa) for general cosmetic and skincare products, and manufactures and sells its cosmetic products in all major markets, including Australia, Europe, South Africa and the Americas and Asia, and has done so since **2007**. The Complainant has provided sufficient proof hereof.
- c. The Complainant has won several industry awards and is a market leader in cosmetics. The Complainant further enjoys rights in an extensive trade mark portfolio in various jurisdictions, which includes its **REVITALASH** trade mark. The Complainant has provided sufficient proof hereof.
- d. The Complainant has invested extensively in establishing a public association between its **REVITALASH** trade mark and its unique activities and cosmetic products. Due to the Complainant's global

business activities and its considerable marketing and promotional investment, it has developed substantial goodwill and reputation in *inter alia* South Africa. Complainant has also provided sufficient proof hereof.

- e. The Complainant has applied for the registration of the name and trade mark **REVITALASH** in Class 3 in South Africa, the date of application being **16 November 2018**. At the time of this Decision, this trade mark application has not yet proceeded to registration. The Complainant has provided proof of this pending trade mark application.
- f. The Complainant further registered various domain names which include its **REVITALASH** mark, *inter alia* including *revitalash.com*. The Complainant has hosted its website on this domain and made use of its **REVITALASH** marks thereon, and continues to do so. The Complainant has provided proof of this use.
- g. It should be noted that the Complainant and the Registrant entered into an initial distribution agreement for the distribution of the Complainant's cosmetic products by the Registrant in South Africa on **26 January 2010**. A further distribution agreement was entered into by the Parties on **2 April 2013**. The Registrant provided proof of these distribution agreements.
- h. The Complainant became aware of the disputed domain name registration *revitalash.co.za*, owned and registered by the Registrant on **23 September 2009**. The Complainant however did not provide any evidence or indication of when it became aware of such domain name registration. However, as both provided distribution agreements between the Complainant and the Registrant clearly made reference to the disputed domain name registration, it is evident that the Complainant was aware of such domain name registration at least on **26 January 2010**.

-
- i. On **25 June 2018** the Complainant addressed an informal email to the Registrant, *inter alia* speaking to the appointment of a new distributor for the Complainant's cosmetic goods in South Africa and requesting that social media credentials be forwarded to such distributor by the Registrant. The Parties did not provide any evidence of a response to this email by the Registrant.
- j. On **19 September 2018** the Complainant addressed an informal email to the Registrant, *inter alia* requesting that the disputed domain name be transferred to the Complainant. The email did not contain any demands, nor did it place the Registrant on notice that formal proceedings would be initiated if the disputed domain name was not transferred.
- k. On **27 September 2018** the Registrant, through its Representative, addressed a letter in response to an email apparently addressed to the Registrant by the Complainant on **25 September 2018** – neither Party provided evidence of such email. In this letter the Registrant, thought its Representative, *inter alia* stated that the distribution agreement(s) between the Parties was unilaterally terminated by the Complainant, that the Registrant was prepared to transfer the disputed domain name registration to the Complainant "*reasonable compensation*" being paid to it by the Complainant, that the Registrant acknowledges the Complainant's intellectual property rights, including its trade mark rights (the Adjudicator's emphasis), and that the Registrant would cease to use the social media sites associated with the Complainant's name by **15 December 2018**.
- l. On **28 September 2018** the Complainant addressed a letter of demand based on the Complainant's rights, to the Registrant, *inter alia* demanding that the disputed domain name be transferred to the Complainant on the basis that it is an abusive registration, and putting them on notice that formal proceedings would be initiated if the demands were not met.

- m. On **27 September 2018** the Registrant, through its Representative, addressed a letter in response to the Complainant's letter of 28 October 2018, *inter alia* again stating that it was prepared to transfer the disputed domain name registration to the Complainant "*reasonable compensation*" being paid to it by the Complainant, and confirming that it undertook not to violate or infringe the Complainant's **REVITALASH** mark in any way.
- n. The Registrant however failed to comply with the Complainant's demands and this Complaint was subsequently filed with the Administrator on **6 December 2018**.

3) Parties' Contentions

a. Complainant

- i. Based on the above factual background, the Complainant contends that it has trade mark rights in and to the name and mark **REVITALASH**, in various countries, including a pending trade mark application for the mark **REVITALASH** in South Africa.
- ii. The Complainant further contends that it registered rights in its various domain name registration in numerous countries that include the name and mark **REVITALASH**.
- iii. The Complainant further contends that it has established substantial reputation and goodwill in terms of common law rights in South Africa. These aforementioned rights has been developed before the date of the registration of the disputed domain name, *viz* before **23 September 2009**.
- iv. The Complainant contends that, on a comparison of the names, the Complainant's name and mark **REVITALASH** is identical to the disputed domain name *revitalash.co.za*.

- v. The Complainant contends that, because of this similarity, there is a likelihood of confusion and deception to consumers based on the use of the **REVITALASH** name and mark. Such use would *inter alia* amount to passing-off under common law.
- vi. The Complainant contends that there are various factors that indicate that the disputed domain name registration is an abusive registration, and that the disputed domain name registration therefore takes unfair advantage of, and is unfairly detrimental to, the Complainant's rights. These factors shall each be dealt with below.
- vii. Accordingly the Complainant contends that the disputed domain name, in the hands of the Registrant, is an abusive registration.

b. Registrant

- i. Based on the above factual background, the Registrant contends that the Complainant does not have trade mark rights in and to the name and mark **REVITALASH**, in South Africa.
- ii. The Registrant further contends that it registered the disputed domain name in 2009, prior to the application for registration of the Complainant's **REVITALASH** trade mark in South Africa, and it contends that this Dispute should therefore be dismissed.
- iii. The Registrant further contends that it did not make unauthorised use of the disputed domain name, and further states that it does not require the Complainant's authorisation to do so.
- iv. The Registrant further contends that it ceased using the disputed domain name on **15 December 2018**, in accordance with an undertaking between it and the Complainant.

- v. The Registrant contends that it did not use the disputed domain name of the purposes of registering, trafficking in, or using such in bad faith with the intent to sell the same products as the Complainant, nor to profit from the Complainant's alleged goodwill and reputation, and that it used the disputed domain name to market and sell **REVITALASH** products with the Complainant's knowledge and consent.
- vi. The Registrant contends that it had a sole distribution agreement with the Complainant since 2010, and that it was the first distributor appointed by the Complainant in South Africa to represent its **REVITALASH** brand.
- vii. The Registrant contends that the Complainant acts in bad faith in this matter.
- viii. Accordingly, the Registrant contends that the registration is not abusive as it was not registered to disrupt unfairly the business of the Complainant, nor was it registered to impersonate the Complainant or to cause confusion to consumers.

4) Discussion and Findings

- i. At the onset, the Adjudicator wishes to make clear that in no way shall it deal with any aspects relating to the validity of the distribution agreement(s) or any other legal relationship between the Complainant and the Registrant in this forum, and any reference thereto or account thereof shall only be taken insofar as it may relate to the disputed domain name herein. Furthermore, the legal relationship between the Complainant and the Registrant is simply one of a distributorship, and the dispute in this forum is therefore a mere domain dispute. See ZA2011-0068 (*singersa.co.za*).

-
- ii. Therefore, in order to make a finding that the disputed domain name is an abusive registration, the Adjudicator is required to find that the Complainant has proven, on a balance of probabilities, in terms of Regulation 3(2), that the required elements in terms of Regulation 3(1)(a) are present:
1. that the Complainant has rights in respect of a name or mark;
 2. that is identical or similar to the disputed domain name; and
 3. that, in the hands of the Registrant, the disputed domain name is an abusive registration.
- iii. An abusive registration is defined in the definitions of Regulation 1, to mean a domain name which either:
1. 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
 2. has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

a. Substantive Aspects

- i. Turning to the substantive aspects of this Complaint, the Adjudicator has carefully perused the Complaint, and has fully considered the facts and contentions set out therein.

b. Rights in Respect of Name or Mark

- i. In terms of Regulation 1, the term "rights" is widely defined. The Regulation states that "rights" and "registered rights" include intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law but is not limited thereto (the Adjudicator's emphasis).

- ii. As has been decided in the South African appeal decisions of ZA2009-0030 (*seido.co.za*) and ZA2011-0077 (*xnets.co.za*), the notion of “rights” for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence. The threshold in this regard should be fairly low. See also ZA2012-0115 (*konftel.co.za*) and ZA2014-0168 (*heliocol.co.za*).
- iii. It is also a matter of *locus standi* in order to make sure that the person who lodges the Complaint is someone with a proper interest in that Complaint. The threshold in this regard should also be fairly low.
- iv. It should further be noted that the agreements between the Complainant and the Registrant did not grant any rights, insofar as a licence agreement of the **REVITALASH** brand, to the Registrant. Furthermore, the said agreement(s) affirmed that the Complainant shall retain all rights in its intellectual property, which is accepted, in the view of the Adjudicator, to include the Complainant’s **REVITALASH** trade mark(s) and domain name(s) bearing a similarity to such trade mark(s).

c. Does the Complainant have Rights?

- i. The first element that the Adjudicator needs to establish is whether, as set out above, and in terms of Regulation 3(1)(a), on a balance of probabilities, the Complainant has rights in respect of the name or mark **REVITALASH**. This will also determine whether the Complainant has the necessary *locus standi* to bring this Complaint.
- ii. On this, the Complainant contends that it has rights in and to the name or mark **REVITALASH**. Although the Registrant did not contest the Complainant’s rights as a whole, it did contest such in

and to the mark **REVITALASH** in South Africa, and held that such was *inter alia* based on pending trade mark applications by the Complainant.

- iii. The Complainant has however shown that it has applied for registration of its name or mark **REVITALASH** as a trade mark in Class 3 in South Africa in 2018. As these applications are still pending, the Complainant cannot only rely on these insofar as rights in and to the mark **REVITALASH** in South Africa. The Complainant has however shown that it has registered rights in and to the mark **REVITALASH** in various other jurisdictions, which was not contested by the Registrant in its response.
- iv. The Complainant has also registered various domain names in various countries, including South Africa, which include its name or mark **REVITALASH**. This provides the Complainant with further rights in terms of the Regulations to object to a disputed domain name in the event that its name or mark **REVITALASH** is identical or similar to a disputed domain name.
- v. The Complainant has further stated that it has received various industry awards and accolades, internationally, for its products sold under its **REVITALASH** brand. It also stated that it has spent considerable resources on marketing and promoting its **REVITALASH** brand, which have become known to, and associated by, a substantial number of the public with the Complainant. Accordingly, the Complainant contends that, by virtue of its aforementioned activities, both internationally and in South Africa, it has developed a substantial repute or reputation, and hence goodwill, in terms of the common law.
- vi. Such reputation, as forming part of the goodwill, stemming from that reputation, in respect of its name or mark **REVITALASH**,

could be damaged by means of unlawful competition (or more particularly passing-off) under common law by another party wrongly representing that it is, or is associated with, or part of, the Complainant and its business.

- vii. It was pointed out in the South African domain name decision ZA2007-0003 (*telkommedia.co.za*) that the registration, adoption and use of a domain name being a name or mark that enjoys a reputation, of another person, could readily amount to passing-off under the common law. The Complainant therefore undoubtedly enjoys justifiable and justiciable rights under common law in respect of its name or mark **REVITALASH**, which can be enforced against others who infringe or would be likely to damage such rights. See also Webster and Page, at paragraphs 15.5 and 15.7, including the decisions cited therein.
- viii. The Adjudicator wishes to point out that these rights, said for the trade mark rights in and to the mark **REVITALASH** in South Africa, predates the registration of the disputed domain name.
- ix. Said for the trade mark rights in and to the mark **REVITALASH** in South Africa (already discussed above), the Registrant does not dispute or challenge the other above-mentioned rights in its response.
- x. Therefore, and considering the above, the Adjudicator finds that the Complainant has proven, on a balance of probabilities, that it has rights in respect of the name and (trade) mark **REVITALASH**. The Complainant has thereby also established that it has the necessary *locus standi* to bring this Complaint.

d. Is the Name or Mark Identical or Similar to the Disputed Domain Name?

- i. The second element that the Adjudicator needs to establish is whether, on a balance of probabilities, the Complainant has proven that its name or mark **REVITALASH**, in which it has rights, is identical or similar to the disputed domain name.
- ii. On this, the Complainant contends that its name or mark **REVITALASH** is similar to the disputed domain name. This was not contested by the Registrant in its response.
- iii. The Complainant's name and mark (in which it has rights) is **REVITALASH**, while the disputed domain name is *revitalash.co.za*. Ignoring the first and second level suffixes, in terms of Regulation 5(c), the comparison becomes a comparison of **REVITALASH**, against **REVITALASH**. Although the test herein is not one of "confusing similarity" but merely "similarity", which involves a lower standard of comparison, it is clear that these are in fact "identical".
- iv. Furthermore, the Adjudicator takes note that the disputed domain name is also similar to the Complainant's domain names, which *inter alia* include *revitalash.com*, used by the Complainant for its official website.
- v. Accordingly, the Adjudicator finds that the Complainant has proven, on a balance of probabilities, that the name and mark **REVITALASH** (in which it has rights) is similar to the disputed domain name.

e. Is the Disputed Domain Name an Abusive Registration?

-
- i. The third element that the Adjudicator needs to establish is whether, on a balance of probabilities, the disputed domain name, in the hands of the Registrant, is an abusive registration.
 - ii. The Complainant contends that the disputed domain name is, in the hands of the Registrant, an abusive registration, which the Registrant contested in its response. The Complainant herein submitted that, in terms of Regulation 4, the Registrant has registered the domain name primarily to *inter alia*:
 1. Unfairly disrupt the business of the Complainant;
 2. Prevent the Complainant from exercising its rights in and to the domain name *revitalash.co.za*; and
 3. Rent, sell or otherwise transfer the domain name.
 - iii. The Adjudicator is subsequently required to determine whether the disputed domain name is an abusive registration as defined by Regulation 1, and as set out in Regulation 4.
 - iv. According to the definition, and to various Nominet decisions, there are two potential abuses (or two types of abuse), being:
 1. Registration with an abusive intent; and/or
 2. Use in an abusive manner.
 - v. The Adjudicator herein refers to the foreign decisions DRS02464 (Aldershot Car spares v Gordon), DRS00658 (Chivas Brothers Ltd v David William Plenderleith), and the South African decisions ZA2007-0007 (*fifa.co.za*). Against the background of the aforementioned decisions, the Adjudicator agrees with the view that the nature of "abusive" in the Regulations does not necessarily require a positive intention to abuse the Complainant's rights, but that such abuse can be the result, effect or consequence of the registration and/or use of the disputed domain name. Herein it should further be noted that a registration can be

abusive “now” although not “then”, which is in line with the basic principles herein. See also ZA2013-0126 (*sonnenkraft.co.za*). Therefore, in the Adjudicator’s view, the fact that there were distribution agreements present between the Complainant and the Registrant (at some stage) has no effect on the question of “abuse” herein.

- vi. As contended above by the Complainant, Regulation 4 lists factors or circumstances which indicate that the Registrant has registered the disputed domain name for various stated reasons. The Adjudicator will now focus on the most pertinent aspects, in its view, which *inter alia* include:

1. Regulation 4(1)(a)(i):

- a. Although it is clear from the provided evidence that the Registrant offers the disputed domain name *revitalash.co.za* for sale to the Complainant, stating in numerous correspondence to the Complainant that it is willing to transfer the disputed domain name should “...reasonable compensation...” be paid to the Respondent, the Respondent is not clear on what it regards as “...reasonable compensation...”, nor did the Complainant ever make any monetary offer for such domain name.
- b. It is however unreasonable for the Adjudicator, based on the provided evidence, to make any assumptions insofar as to the monetary value envisioned by the Registrant, and the Adjudicator therefore cannot reasonably take this offer for sale of the disputed domain name into account merely based on the offer itself.
- c. The Adjudicator shall therefore now consider whether the Registrant in fact registered the

disputed domain name with the intent to sell such to the Registrant. On this again the evidence provided is not sufficient, and the Adjudicator therefore cannot take this conduct in itself, insofar as it may relate to the intent to sell such domain name registration, by the Registrant as being abusive.

2. Regulation 4(1)(a)(iv):

- a. It is clear from the provided evidence that the disputed domain name, in the hands of the Registrant, shall prevent the Complainant from exercising its rights. More particularly, in this case, the Complainant is prevented by the disputed domain name from registering the disputed domain name as its own, which it should be entitled to do based on its established rights in the name or mark **REVITALASH**.
- b. In this regard, the Adjudicator wishes to refer to Regulation 4(1)(a)(ii), which shall be discussed below, insofar as the current registration of the disputed domain name by the Registrant prevents the Complainant from registering such as its own (or "blocks").
- c. Accordingly, the Adjudicator concludes that *inter alia* the above circumstances apply in the present dispute, and that these factors indicate that the disputed domain name is an abusive registration.

3. Regulation 4(1)(a)(ii):

- a. Although the Complainant did not speak to this aspect in its complaint *per se*, the Adjudicator, on considering the provided evidence and the aspects herein insofar as it relates to Regulation 4(1)(a)(iv) above, is of the view that this regulation is a pertinent aspect in this matter and shall therefore consider such herein further.
- b. Now, although the Regulations are silent on what a “blocking registration” is, it is clear both in general terms and from various Nominet decisions that a blocking registration appears to have two critical features. The first is that it must act against a name or mark in which the Complainant has rights. The second is intent or motivation and suggests some knowledge and hence a purpose in registering a domain name to prevent the Complainant from doing so. See foreign decisions DRS00583 and DRS01378, as well as ZA2017-0294 (*aldoshoes.co.za*).
- c. The Adjudicator notes of the fact that the disputed domain name was registered prior to the initial distribution agreement between the Complainant and the Registrant being entered into, *viz* before 26 January 2010. This is indicative thereof that the Registrant, when registering the disputed domain name, did so without any relationship, authority or consent from the Complainant. This registration was further done by the Registrant whilst having knowledge of the Complainant’s rights in the name or mark **REVITALASH**.
- d. The disputed domain name therefore undeniably prevents the Complainant from registering the domain *revitalash.co.za*, or its name or mark

REVITALASH (in which it has rights) in this form, for itself, whether through the intent of the Registrant or as an unintended consequence of the disputed domain name registration.

- e. See WIPO/D2000-0545 (*bancolumbia.com*); and *British Telecommunications plc v One in a Million Ltd [1999] FSR 1*, as well as the South African decision ZA2008-0014 (*citroen.co.za*), referring to WIPO/D2000-0766.
- f. Accordingly, the Adjudicator concludes that the above circumstances apply in the present dispute, and that these factors indicate that the disputed domain name is an abusive registration.

5) Decision

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

.....
CHRISTIAAN J STEYN
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za