

## ADJUDICATOR DECISION

CASE NUMBER:	<b>ZA2008-0021</b>
DECISION DATE:	<b>10 November 2008</b>
DOMAIN NAME	<b>blackpearlbetting.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Mr Will Green</b>
REGISTRANT'S LEGAL COUNSEL:	<b>None</b>
THE COMPLAINANT:	<b>Sun International (IP) Ltd</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Adams &amp; Adams</b>
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	<b>UniForum SA (CO.ZA Administrators)</b>

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## 1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on 25 August 2008. On 25 August 2008 the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on 25 August 2008 UniForum SA 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"), 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 2 September 2008. In accordance with the Regulations the due date for the Registrant's Response was 1 October 2008. The Registrant requested, and was granted, an extension of time until 3 October 2008 but did not submit a response. Accordingly, the SAIPL notified the Registrant of its default on 7 October 2008. The Registrant submitted its Response on 8 October 2008, 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 9 October 2008.
- c. In accordance with the Regulations the due date for the Complainant's Reply was 16 October 2008. The Complainant requested, and was granted, an extension of time until 17 October 2008. The Complainant submitted its Reply on 17 October 2008.
- d. The SAIPL appointed Mr. Andre van der Merwe as the Adjudicator in this matter on 20 October 2008. 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.

- e. Dealing at the outset with a procedural aspect of this matter, the Adjudicator has decided to condone the late filing of the Registrant's Response, and to admit such evidence on the basis that the Registrant is not legally represented and in all probably did not fully understand this particular procedure and its implications. Such condonation is based on the general powers and broad discretion given to Adjudicators in terms of Regulation 24 in order to ensure that the parties are treated with equality; and that each party is given a fair opportunity to present its case. In addition to the aforementioned considerations, the Complainant has not raised any objection to the late filing of the Registrant's Response.

## **2) Factual Background**

The non-contested facts herein are as follows:

- a. The Complainant's South African trade mark registration no. 2005/26268 BLACK PEARL & DEVICE in class 41 dated 5 December 2005; the Complainant's common law rights based on the reputation and goodwill associated with its business conducted under or in conjunction with the registered mark; and the successful formal objection earlier this year before the Registrar of Close Corporations by the Complainant to the name of the close corporation BLACK PEARL BETTING CC on the ground that it is undesirable.
- b. The disputed domain name registration blackpearlbetting.co.za was initially registered by a Mr. Hilton Hasson on 31 January 2007; and this registration was subsequently transferred to the Registrant on 18 August 2008. Mr. Hasson is the managing member of BLACK PEARL BETTING CC that operates and uses the above-mentioned website that is linked to the disputed domain name. This close corporation is associated with the business of the Registrant.

## **3) Parties' Contentions**

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**a. Complainant**

The Complainant has made the following contentions:

- i. It has registered trade mark rights viz flowing from its trade mark registration 2005/26268 BLACK PEARL & DEVICE dating from 5 December 2005 in class 41 in respect of "Education; providing of training; entertainment; sporting and cultural activities";
- ii. It has developed, and presently enjoys, common law rights based on its extensive use in relation to gaming or betting events conducted under its registered mark BLACK PEARL & DEVICE and under the dominant feature of its registered mark viz BLACK PEARL, in South Africa since 2006. The activities of the Complainant relate essentially to the organizing and holding of a high-profile annual national roulette tournament;
- iii. The disputed domain name blackpearlbetting.co.za incorporates the mark BLACK PEARL, and is phonetically identical and visually confusingly similar to the dominant feature viz BLACK PEARL of Complainant's registered trade mark, and to BLACK PEARL per se that has been used extensively by the Complainant;
- iv. The activities of the Registrant and his predecessor appear to relate to all forms of betting services. These services fall within the aforementioned services of class 41; and the Complainant contends that gaming and betting both amount to gambling which are part of the activities of the Complainant;
- v. A betting licence held by Black Pearl Betting CC is not relevant to the present dispute, and does not afford the Registrant or his predecessor rights in the mark BLACK PEARL;

- vi. The registration and use of the disputed domain name blackpearlbetting.co.za will cause confusion and deception amongst members of the public who will believe that the Registrant's business is associated with that of the Complainant;
- vii. The registration and use of the mark BLACK PEARL in the disputed domain name prevents the Complainant from registering that name for itself, and hence from exercising its prior rights which date back to 2005 (-its trade mark registration) and 2006 (-its user rights), respectively;
- viii. It can be construed from the Registrant's use of the mark BLACK PEARL that it intends to derive a benefit from the Complainant's extensive advertising expenditure, and its resulting reputation and goodwill; and the Complainant contends that such use by the Registrant (and any other party in collaboration with the Registrant) in the course of trade will lead to the dilution of the Complainant's marks;
- ix. Any adverse publicity that the Registrant may receive, will impact negatively on the Complainant and its business; and the activities of the Registrant may well be detrimental to the repute of the Complainant's marks and its business;
- x. Accordingly, the Complainant has lodged a complaint on the grounds of Regulation 3(1)(a) alleging that the disputed registration is an abusive registration; and requests transfer of the disputed domain name registration to the Complainant.

**b. Registrant**

The Registrant has made the following contentions:

- i. The Complainant's registered trade mark BLACK PEARL & DEVICE (which includes the words "the million rand roulette tournament") is not identical nor similar to the disputed domain name blackpearlbetting.co.za;
- ii. The words BLACK PEARL have no specific or real relevance or connection to roulette, gambling or the gaming industry;
- iii. Black Pearl Betting CC, which uses the disputed domain name, operates a fixed-odds on-line betting system and business that is recognized and licensed by the Western Cape Gambling and Racing Board. Black Pearl Betting CC therefore offers and operates an on-line fixed-odds betting business while Sun International is a land-based gaming and resort company;
- iv. The roulette tournament operated by the Complainant relates to an "unskilled gaming wager" as opposed to a "fixed odds bet". The Registrant contends that these are different industries (ie gaming and betting respectively) that require different licences and which are regulated by different governing bodies;
- v. Black Pearl Betting CC has invested a large amount of money in its infrastructure, marketing and advertising to procure new customers, viz from 2006 to 2008;
- vi. The Complainant cannot claim exclusive rights in respect of BLACK PEARL because other persons and businesses have registered domain names and names for companies or close corporations that include the words BLACK PEARL. In support of this contention, the Registrant has lodged a printout obtained from CIPRO showing about 30 (thirty) such BLACK PEARL ... company and close corporation names that have been registered by CIPRO;

- vii. The Registrant contends that the Complainant cannot claim, without doubt, that there will be confusion and deception amongst members of the South African public;
- viii. Consequently, the Registrant denies that the disputed domain name registration is an abusive registration in terms of Regulation 3(1)(a).

#### **4) Discussion and Findings**

Before dealing with the fundamental requirements of this complaint, as required in terms of Regulation 3(1)(a), the Adjudicator initially wishes to deal with the other contentions raised by the Registrant in his Response and submitted in defence of the disputed domain name registration.

Firstly, the Registrant has attempted to draw a distinction between its operations (or more accurately the operations of Black Pearl Betting CC that has used the disputed domain name) consisting of the business of a fixed-odds on-line betting system, on the one hand, and the operations of the Complainant that consist of a land-based gaming and resort business/company, on the other hand. More particularly, the Registrant has alleged that the roulette tournament operated by the Complainant is an "unskilled gaming wager" while the "fixed odds bet" system offered by Black Pearl Betting CC (that has used the disputed domain name) is different in its nature. Consequently, according to the Registrant, these two are different industries requiring different types of licences from the relevant licensing authorities. The Registrant's intention in this approach was obviously to show that the activities of the two parties were substantially different, did not overlap and hence that there was no or little likelihood of confusion or deception arising from the side-by-side use of BLACK PEARL by both parties.

In the opinion of the Adjudicator it is not essential in domain name disputes to show or prove that the respective business activities (goods or services) of the parties are identical, or overlap viz that there is a common field of activity between the parties. The Regulations nowhere include such a factual requirement

to reach a finding that a domain name registration is an abusive registration. The wording in the definition of an "abusive registration" merely refers to a registration taking "unfair advantage of ..." or being "unfairly detrimental to the complainant's rights". Such unfair advantage or unfair detriment can take place in various situations. This can arise, for example, in terms of the infringement sections viz 34 and 35 of the Trade Marks Act 194 of 1993 ("the Act") when the respective goods or services of the parties are identical or overlap; when the respective goods or services are different but similar; or when the respective goods or services are substantially different. This can also arise in so-called passing off cases under the common law when the respective goods or services of the parties can be different. Our Courts (and the English Courts) have accepted the position over many years that a common field of activity is not a prerequisite for passing off proceedings. See the Appellate Division (now the Supreme Court of Appeals) judgements in *Capital Estate & General Agencies (Pty) Ltd v Holiday Inns Inc 1977 2 SA 916 (A)* and *Danco Clothing (Pty) Ltd v Nu-care Marketing Sales and Promotions (Pty) Ltd 1991 4 SA 850 (A)*. Accordingly, in the opinion of the Adjudicator, whether or not a common field of activity exists between the parties, a complainant may succeed in a domain name dispute.

Reverting to the Registrant's above contentions, however, the Complainant has submitted, to the contrary, that in terms of the Cambridge Dictionary definition, both gaming and a bet (or betting) amount to gambling ie are the same type of business because both involve the risk of money and loss of money or failure. This is borne out by the relevant definitions appearing in other dictionaries such as the Shorter Oxford Dictionary. The adjudicator accepts this submission by the Complainant as a factual finding, and therefore rejects the Registrant's contentions in this regard.

Secondly, the Adjudicator accepts for purposes of this dispute that the licensing of Black Pearl CC for purposes of offering betting services is not relevant, and does not provide the Registrant, nor his predecessor, with rights in respect of the mark BLACK PEARL. By a parity of reasoning, the Complainant has also pointed out - correctly in the Adjudicator's view - that the Complainant's rights in and to



the mark BLACK PEARL arise from statute and common law, and not from any licence (application or registration). In any event, the Registrant has stated, in the first paragraph on page 2 of his Response that: "Black Pearl betting CC is officially recognized and licensed by the Western Cape Gambling and Racing Board (WCGRB) **along with Sun International.**" In other words, contrary to the Registrant's own contentions, he has admitted that both Black Pearl Betting CC and the Complainant are licensed in the Western Cape Province by the same licensing body.

Thirdly, the Registrant has contended that Black Pearl Betting CC has expended a large amount of money in setting up its infrastructure, in marketing and advertising to procure new customers for its business. Such expenditure appears to date from 2006 to 2008 and partly predates the registration of Black Pearl Betting CC and the start up date of its business ie 25 April 2007. However, of greater significance is the fact that Black Pearl Betting CC is not the Registrant of the disputed domain name registration (nor even its predecessor). Accordingly, the Adjudicator finds that such expenditure made by Black Pearl Betting CC is irrelevant to these proceedings.

Fourthly, the Registrant has contended that the Complainant cannot claim exclusive rights in the name and trade mark BLACK PEARL because other persons and businesses have registered domain names and companies or close corporation names that include BLACK PEARL. The Complainant has explained in its submissions that such other businesses conduct business in fields of activity that do not affect nor interest the Complainant viz these usages fall outside the field of interest/activity of the Complainant. The Adjudicator therefore accepts that the Complainant claims exclusivity only in respect of the (restricted and particular) services as specified or defined in the Complainant's trade mark registration.

The Complainant has further explained that from time to time it takes steps against parties seeking to acquire rights for marks identical or similar to its trademark, and in relation to the same or similar goods or services of the

Complainant. It cites as an example of this activity, the successful objection by it before the Registrar of Close Corporations to the name of the close corporation BLACK PEARL BETTING CC. The Registrar of Close Corporations has found that the name BLACK PEARL CC was undesirable and has ordered the close corporation to change its name. See the Registrar's letter dated 29 August 2008 - Annexure R1 to the Complainant's Reply.

Fifthly, the Registrant has submitted the contention that "The words BLACK PEARL has (sic) no specific or real relevance or connection to Roulette, Gambling or Gaming or any other related terminology within the gaming industry ...". It appears that the Registrant is unfamiliar with the provisions of trade mark law in this regard viz that the less a trade mark is concerned with, or descriptive of, the particular goods or services the better or more it is capable of distinguishing the goods or services of the proprietor of the mark from the goods or services of its competitors. The Adjudicator can therefore not accept the Registrant's contentions in this regard.

Accordingly, the Adjudicator rejects the Registrant's contentions in regard to the above aspects of this dispute.

Turning now to deal with the fundamental issues of this dispute, the Adjudicator's findings and decision are set out hereunder.

**a. Complainant's Rights**

- i. The Complainant claims rights in respect of the mark BLACK PEARL & DEVICE (including the words "the million rand roulette tournament") that is registered under South African trade mark registration no. 2005/26268. The Complainant has contended that the dominant feature of its registered mark is BLACK PEARL. On a close examination of the registered mark, the words BLACK PEARL are certainly presented in bold capital letters, as shown in the registration certificate. In addition, the device (of a roulette wheel with a shining pearl) is relatively small, as are the words "the

million rand roulette tournament". Trade marks, when compared and if subjected to close scrutiny, may disclose various points of difference but it is the dominant feature of each that is the determining factor and that creates the main idea or impression left in the mind (of the consumer). See *International Power Marketing (Pty) Ltd v Searles Industrials (Pty) Ltd 1983 4 SA 163 (T)*. There is also High Court authority for the comparison of company names viz that due weight should be accorded the dominant word in each of the names under comparison. See in this regard *Deutsche Babcock SA (Pty) Ltd v Babcock Africa (Pty) Ltd 1995 4 SA 1016 (T)*. Accordingly a trade mark is generally judged and identified by its dominant feature by members of the public. On a balance of probabilities, the Adjudicator finds that BLACK PEARL (which is also what the mark would be called or referred to by members of the public) is the dominant feature or element of the Complainant's trade mark registration. Accordingly, the Complainant can validly claim statutory rights therein, for example in terms of section 34 of the Act, that can be enforced against others in case of infringement of its trade mark registration.

- ii. The Complainant also claims rights in and to the name and mark BLACK PEARL under the common law based on its use and promotion of its annual roulette tournament since 2006 under the name BLACK PEARL. On a balance of probabilities the Adjudicator finds that the Complainant can validly claim such common law rights based on its reputation (in the gambling industry and amongst persons who gamble) and hence its goodwill in and to the mark BLACK PEARL.
- iii. The Registrant has contended that the Complainant's trade mark as registered is not identical nor similar to the disputed domain name blackpearlbetting.co.za, and that the Complainant cannot claim, without doubt, that there will be confusion and deception.

However, the Adjudicator has found that the dominant feature of the registered trade mark is BLACK PEARL, and that the Complainant had acquired common law rights of use in and to the mark BLACK PEARL. The disputed domain name incorporates the words BLACK PEARL in their entirety. This is the first and dominant feature of the disputed domain name and is the feature known, at least to some extent, by the relevant members of the public. The addition in the disputed domain name of the merely descriptive/generic word BETTING to the words BLACK PEARL in the domain name does not essentially change the identity of the domain name in dispute. The Registrant therefore cannot escape the inevitable conclusion that BLACK PEARL and blackpearlbetting have the same – and significant - common element viz BLACK PEARL. See in this regard the following foreign domain name decisions: In NAF/FA141825 it was held that: “[It] is well-established under the Policy that a domain name composed of a trademark coupled with a generic term still is confusingly similar to the trademark”. In WIPO/D2002-0367 the Panel concluded that: “The disputed domain name contains Complainant’s EXPERIAN trademark in its entirety. The addition of the generic word ‘automotive’ does not distinguish the respondent’s domain name from complainant’s mark”. Also, in the foreign decisions in WIPO/D2000-1598 NIKE was found to be similar to niketravel and nikesportstravel; in DRS04601 NIKE was found to be similar to nikestore; and in DRS01493 NOKIA was found to be similar to nokia-ringtones. Lastly, in the national domain name decision ZA2007-0003 TELKOM was found to be similar to the disputed domain name telkommedia.co.za; and in ZA2007-0004 TELKOM was likewise found (by a different Adjudicator) to be similar to telkombusiness.co.za. Accordingly, the Adjudicator finds, on a balance of probabilities, that the Complainant’s mark BLACK PEARL is similar to the disputed domain name blackpearlbetting.co.za.

**b. Abusive Registration**

- i. The Complainant has contended that the disputed domain name registration is an abusive registration. More particularly, the Complainant has contended (as per the first part of the definition of an “abusive registration”) that the disputed domain name registration 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.
- ii. The Complainant has also contended (as per the second part of the definition of an “abusive registration”) that the disputed domain name registration has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant’s rights.
- iii. In support of the above, the Complainant has contended that there are various factors surrounding the disputed domain name registration that indicate or provide evidence of an abusive registration, in accordance with Regulation 4. These include the registration and use of the disputed domain name preventing the Complainant from registering the domain name for itself, and hence from exercising its prior rights (-its trade mark registration that dates from 2005; and its common law user rights that date from 2006, respectively). Both in general terms and in terms of various Nominet decisions, it is clear that a so-called “blocking” registration appears to have two features. Firstly, it must act against a name or mark in which the Complainant has rights; and secondly, there must be some intent or motivation – which suggests some knowledge and hence a purpose in registering the disputed domain name to prevent the Complainant from doing so. See DRS00583 and DRS0138. In the present case, it is clear that the disputed domain name is acting against the Complainant’s

mark BLACK PEARL. It also appears reasonable to assume that the Registrant, and his predecessor, were at all material times aware of developments in the gaming and betting industry in South Africa. Accordingly, they would have had knowledge of the Complainant's national roulette tournament and the name used to promote it viz BLACK PEARL. Furthermore they would or should have known that registration and use of the disputed domain name would not only infringe the rights of the Complainant but that it would also act as a "blocking" registration for the Complainant. See the foreign domain name decision in WIPO/D2000-0545 and the leading United Kingdom High Court decision dealing with domain names and their "blocking" effect viz *British Telecommunications plc v One in a Million Ltd [1999] FSR 1 (CA)*. See also the national domain name decision ZA2007-0003. Accordingly, it appears, on a balance on probabilities, that the disputed domain name was registered primarily to block intentionally the registration of a name or mark in which the Complainant has rights, in accordance with Regulation 4(1)(a)(ii); and to prevent the Complainant from exercising its rights in accordance with Regulation 4(1)(a)(iv). This provides two factors that may indicate that the disputed domain name is an abusive registration.

- iv. The Complainant has contended that there are other prejudicial factors present herein viz from the actions of the Registrant, or its predecessor, it can be construed that the Registrant intends to derive a benefit from the Complainant's reputation and goodwill; that members of the public will be misled into thinking that the Registrant's business is associated with the Complainant's business; and that use of the disputed domain name by the Registrant, or any other party in collaboration with the Registrant, in the course of trade will lead to the dilution of the Complainant's marks. Concentrating on the above contention concerning business

association (and the linked confusion or deception), the Registrant has offered no explanation as to how he, or his predecessor, had decided on the disputed domain name. It is difficult to draw a positive inference from this omission. In addition, from a practical approach, persons searching for the Complainant's BLACK PEARL tournament on the internet will be led to the website [www.blackpearlbetting.com](http://www.blackpearlbetting.com). This appears to be likely to confuse or deceive such persons who will assume there is some link or association of the business of the Registrant, or Black Pearl Betting CC, with that of the Complainant, which is clearly not the case. See for example the foreign domain name decisions in WIPO/D2000-0545, NAF/FA95319, NAF/FA95464 and NAF/FA95498. See also the foreign decisions in WIPO/D2000-0777, WIPO/D2000-0878, NAF/FA95033 and NAF/FA95402; as well as the above-cited NIKE and NOKIA decisions. In the circumstances, and on a balance of probabilities, the Adjudicator finds that people will be led to believe that the domain name is registered to, operated or authorised by, or otherwise connected or associated with, the Complainant, in accordance with Regulation 4(b). This provides a factor that may indicate that the disputed domain name is an abusive registration.

- v. It appears that the major contentions by both parties have been dealt with herein. However, one last contention raised by the Registrant requires comment viz that the Complainant cannot claim, without doubt, that there will be confusion and deception amongst members of the South African public. In trade mark infringement matters, and in passing off matters, the level of onus on a plaintiff is not that actual confusion or deception has to be proved. It is sufficient to show there is a reasonable likelihood or probability of confusion or deception. More particularly, in respect of trade mark infringement, reference is made to the clear and express wording of s 34(1)(a) and (b) of the Act in this regard. In

respect of passing off, see *Adcock-Ingram Products v Beecham SA (Pty) Ltd 1977 4 SA 434* in which it was stated: " The plaintiff must prove that that the defendant's use of the feature concerned was likely or calculated, to deceive, and thus cause confusion and injury, actual or probable, to the goodwill of the plaintiff's business ...".

- vi. Considering the above factors and reasoning, it appears to the Adjudicator that the disputed domain name was registered, or otherwise acquired, in a manner which, at the time when registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's rights; and/or that the disputed domain name has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.
- vii. On a balance of probabilities, the Adjudicator therefore finds that the disputed domain name registration blackpearlbetting.co.za in the hands of the Registrant, and as used by Black Pearl Betting CC, is an abusive registration in terms of Regulation 3(1)(a).

## 5) Decision

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

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**Andre van der Merwe**

SAIIPL SENIOR ADJUDICATOR

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