

Decision

[ZA2014-0176]

.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)

ADJUDICATOR DECISION

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| CASE NUMBER: | ZA2014-0176 |
| DECISION DATE: | 01 September 2014 |
| DOMAIN NAME | simplesmartinsurance.co.za |
| THE DOMAIN NAME REGISTRANT: | RUAN DU PLESSIS |
| REGISTRANT'S LEGAL COUNSEL: | NONE |
| THE COMPLAINANT: | DIAL DIRECT INSURANCE LIMITED |
| COMPLAINANT'S LEGAL COUNSEL: | MOORE ATTORNEYS |
| 2 nd LEVEL ADMINISTRATOR: | UniForum SA (CO.ZA) |

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **9 May 2014**. On **12 May 2014** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue, and on **12 May 2014** UniForum SA confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute [together with the amendment to the Dispute] satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIPL's Supplementary Procedure.
- b) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **14 May 2014**. In accordance with the Regulations the due date for the Registrant's Response was **11 June 2014**. The Registrant submitted its Response on **4 July 2014**, 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 **16 July 2014**.
- c) In accordance with the Regulations the due date for the Complainant's Reply was **23 July 2014**. The Complainant submitted its Reply on **23 July 2014**.
- d) The SAIPL appointed **Mike du Toit** as the Adjudicator in this matter on **12 August 2014**. 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

2.1 The complainant is Dial Direct Insurance Limited, an online insurance and financial services provider which forms part of Telesure Investments Holdings (Pty)Ltd. Customers can purchase and manage life, personal, business, watercraft and caravan insurance. The complainant offers the customer an opportunity to deal directly with an insurer over the internet or via its call centre. The complainant's www.dialdirect.co.za website and electronic platform allows a consumer to buy insurance, manage a policy and submit a claim.

2.2 The complainant owns trademark registration no 2010/19412-4 DIAL DIRECT SIMPLE SMART INSURANCE in classes 35, 36 and 38.

2.3 The complainant claims to have used the trademark "SIMPLE SMART INSURANCE" since 2010 and illustrated the use by way of pamphlets and advertisements, printouts from a web archive and references to YouTube where their add campaign in which the American actor, William Shatner appeared and their "less yada more ching" hand campaign is featured. They claim to enjoy extensive common law rights in SIMPLE SMART INSURANCE and that the trademark is a well-known brand in South Africa.

2.4 The registrant is employed by Small Area Repair Technology Underwriting Managers (Pty) Ltd, (Smart Insurance), a subsidiary of The Hollard Insurance Company. The registrant registered the disputed domain name on 10 January 2013 along with a host of other domain names, which he claims to be common words in the English language that could be used by internet users when using GOOGLE search engine to look for services to connect to those phrases. His purpose was to negotiate with various insurance companies to enable him to provide leads to them. He used JAG

Method to create his website. JAG Method is South Africa's largest leads provider. As soon as internet users complete the questionnaire on the webpage the detail would be forwarded to various insurance companies. The registrant claims to have no say where the leads may go, this is determined by the JAG Method. In June 2013, the registrant started exploring the idea of partnering up directly with insurance companies and contacted Telesure to become a fully-fledged online leads generator. The approach was made to Telesure, a shareholder in the complainant and authorised licensee of the complainant's trademarks.

- 2.5 The registrant's website www.simplesmartinsurance.co.za offered identical services to that of the complainant in that members of the public can request competitive insurance quotes. It utilises brands such as Dial Direct , Budget, 1st for Women and Auto & General. The Dial Direct trademark is the Dial Direct Simple Smart Insurance trademark of the complainant.
- 2.6 The complainant sent a letter of demand to the registrant on 25 June 2013 demanding inter alia that the registrant ceases all use of www.simplesmartinsurance.co.za, transfer the offending domain name to itself and never again use the Dial Direct trademark. The complainant then filed a take-down notice with the Internet Service Provider Association, which was successful and on 2 July 2013 the attorneys of the complainant received confirmation from ISPA that the content of the offending website had been removed.
- 2.7 Since then the parties have been corresponding on a "without prejudice" basis but have been unable to resolve the ownership of the disputed domain name.

3 Parties' Contentions

3.1 Complainant

- a) The complainant relies on its trademark registration nos 2010/19412-4 DIAL DIRECT SIMPLE SMART INSURANCE in classes 35, 36 and 38 and its alleged extensive common law rights in the SIMPLE SMART INSURANCE portion of its registered trademarks. It also contends that due to its extensive exposure in the market place, that its brand has become well known in South Africa.
- b) The complainant contends that the disputed domain name is visually and phonetically similar and wholly incorporates the complainant's trademarks. In addition, that the disputed domain name is identical to the manner that the complainant uses its SIMPLE SMART INSURANCE trademark in the market place.
- c) They claim that the purpose of www.simplesmartinsurance.co.za can only be to generate website hits from members of the public who incorrectly believe that the disputed www.simplesmartinsurance.co.za domain name is linked or associated to the complainant and its trademark SIMPLE SMART INSURANCE.
- d) They contend that the purpose of registering the disputed domain name is to confuse members of the public into believing that the disputed domain name is that of the complainant.
- e) The disputed domain name is confusingly similar to the complainant's SIMPLE SMART INSURANCE trademarks and contains the mark or word SIMPLE SMART INSURANCE which are wholly incorporated in

the complainant's trademarks. The trademarks are also the dominant and memorable part of the domain name.

3.2 Registrant

- a) The registrant claims to have picked the disputed domain name from common words or sentences that could be used by the internet users when using the GOOGLE search engine when looking for services connected to these phrases. It wanted to change the attitude of the public when it comes to insurance, from a grudge purchase to a service that is EASY, SIMPLE, CLEVER or SMART.
- b) The registrant points out that the complainant never registered the SIMPLE SMART INSURANCE trademark as alleged. It also challenges the validity of this trademark on the basis that it is a descriptive term, which describes some characteristic, nature or function of the product. The registrant relies on **Reckitt Benckiser (Pty) Ltd v Adcock Ingram Healthcare (Pty) Ltd**. It claims that the term SIMPLE SMART INSURANCE is descriptive in so far as online insurance aggregator services go. It also claims with reference to **Dunlop Rubber Company's Application (1942) 59 RPC 134** that DIAL DIRECT SIMPLE SMART INSURANCE should never have been registered at all due to an entire lack of distinctiveness.
- c) The disputed domain name was selected due to the common use in the public domain as well as in the insurance industry. The registrant relies on the outcome of a GOOGLE search that illustrates when searching for SMART INSURANCE, you will find www.smartinsurance.co.za and not www.dialdirect.co.za. As Dial Direct does not feature on the top 10 list of domains created by the

search engine, it is not recognised by the phrase SIMPLE SMART INSURANCE.

- d) The registrant submits that even on the Dial Direct website, the phrase SIMPLE SMART INSURANCE is only used under the Dial Direct logo and that it is nowhere referred to as a brand or a distinctive mark.

4 Discussion and Findings

- a) The complainant has proven registered rights and common law rights in DIAL DIRECT SIMPLE SMART INSURANCE. Although it claims specific rights in SIMPLE SMART INSURANCE on its own, the evidence produced does not support this contention, neither that it is a well-known mark in South Africa. The evidence simply falls short. However, as a composite word mark, consisting of the house mark and a pay off line, in use, used in a logo form, it is protected from any confusingly or deceptive similar use by third parties. The adoption and use of the simplesmartinsurance.co.za domain name and use in the www.simplesmartinsurance.co.za website is confusingly similar to the complainant's composite trademark, whether as registered or as used in a logo.
- b) The complainant has illustrated sufficient rights in and to the mark SIMPLE SMART INSURANCE, to satisfy the requirements of the Regulations in so far as "rights" are defined.
- c) The registrant has failed to illustrate by way of evidence that the phrase SIMPLE SMART INSURANCE is descriptive or non-distinctive or in the public domain in so far as insurance services go. The term INSURANCE

is wholly non distinctive for insurance services. No evidence is required.

d) However, there is no evidence to support the contention that the terms SIMPLE or SMART is non-distinctive in the insurance industry or has no inherent possibility of becoming distinctive through use. In the absence of any evidence to the contrary, the mark SIMPLE SMART INSURANCE, as a pay-off line, is sufficiently distinctive to qualify as a protectable right for purposes of the Regulations.

e) The registrant attempted quite forcefully to argue the contrary but shoots himself in the foot with the following statement under oath:

“The registrant saw the value he was offering to the general public and had the vision that SIMPLE SMART INSURANCE could be established as a standalone brand in the market...”

f) This statement is in conflict with all the contentions made by the registrant in so far as he argues that the words are non-distinctive. On his own version he anticipates that the words could be established as a stand-alone brand in the insurance market. The adjudicator in the multi-fix.co.za ZA 2013-0132 matter had the following to say about distinctiveness:

“However, for the purposes of this enquiry, distinctiveness on the part of the trade mark (in particular, the Complainant’s class 37 application) is assumed, for distinctiveness must be taken to have been established as required by section 9 of the Trade Marks Act, 194 of 1993 at the time of acceptance. “

g) The complainant has established sufficient rights in and to SIMPLE SMART INSURANCE. The registrant has, on his own version admitted that the words could be established as a stand-alone brand. The

registrant did not discharge the onus to prove that his adoption and/or use of the offending domain name is not abusive.

- h) The use of the complainant's pay-off line of the composite mark and the use in the disputed domain name and on the now disabled website of the registrant was calculated to take unfair advantage of the complainant's rights and was unfairly detrimental to the complainant's rights. The registrant did not address the fact that he used the disputed domain name for his website [www.simplesmartinsurance .co.za](http://www.simplesmartinsurance.co.za), on which he used the complainant's logo and SIMPLE SMART INSURANCE pay-off line. There is a very real likelihood of confusion.
- i) It was therefor calculated to unfairly disrupt the business of the complainant and prevent it from exercising its rights.
- j) The manner in which the disputed domain name was used in the registrant's website name, could lead people or businesses to believe that the domain name is operated or authorised by or otherwise connected to the complainant. In ZA2007/0003 it was held that actual confusion is not necessary and that the potential or likelihood of confusion would be sufficient. The registrant's attempt to illustrate that the outcome of GOOGLE searches shows that DIAL DIRECT is not recognised by the SIMPLE SMART INSURANCE phrase, is rejected. Although there is no evidence to that effect, nor was it taken up by the complainant, this adjudicator does not regard the outcome of the GOOGLE search as "best evidence" as results could be manipulated by the acquisition of GOOGLE adwords or similar tools which could skew the outcome of the search. Accordingly, that evidence is seen with a fair amount of scepticism.

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- k) The complainant submitted an affidavit by the attorney acting on behalf of the complainant. The affidavit contained legal argument, which was considered in this finding.
- l) This adjudicator finds, on a balance of probabilities, that the Registrant has registered and used the Disputed Domain Name in a way that leads, or will lead, people and businesses to believe that it is registered to, operated or authorised by, or otherwise connected with the Complainant. Accordingly, this adjudicator finds that the simplesmartinsurance.co.za domain name of the registrant is an abusive registration for purposes of Regulation 1(a) and (b), read with Regulation 4.
- m) As the disputed domain name has been found to be abusive for other reasons, the question as to whether the conduct of the registrant during his negotiations with the complainant falls foul of Regulation 4(1)(a)(i), will not be decided. It is also not clear whether the registrant waived the privilege referred to in the complainant's response.

5. Decision

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

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Mike du Toit
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za