

## Decision

[2015-0193]

.ZA ALTERNATE DISPUTE RESOLUTION  
REGULATIONS (GG29405)

### ADJUDICATOR DECISION

CASE NUMBER:	<b>2015-0193</b>
DECISION DATE:	<b>30 April 2015</b>
DOMAIN NAME	<b>pep.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Pep Application Software</b>
REGISTRANT'S LEGAL COUNSEL:	<b>None</b>
THE COMPLAINANT:	<b>Pepkor IP Proprietary Limited</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Suzaan Laing Adams &amp; Adams</b>
2 <sup>nd</sup> LEVEL ADMINISTRATOR:	<b>ZA Central Registry (ZACR)</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 **11 March 2015**. On **12 March 2015** the SAIPL transmitted by email to ZACR a request for the registry to suspend the domain name(s) at issue, and on **12 March 2015** the ZACR 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 **13 March 2015**. In accordance with the Regulations the due date for the Registrant's Response was **14 April 2015**. The Registrant submitted its Response on **23 March 2015**, 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 **25 March 2015**.
- c) In accordance with the Regulations the due date for the Complainant's Reply was **1 April 2015**. The Complainant submitted its Reply on **31 March 2015**.
- d) The SAIPL appointed **Tana Pistorius** as the Adjudicator in this matter on **8 April 2015**. 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

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- 2.1 The Complainant, Pepkor IP Proprietary Limited (registration number 2004/014533/07), is the holding company of all intellectual property rights of the retailer Pepkor Proprietary Limited.
- 2.2 The Complainant is the holder of various trade mark registrations of the mark PEP, namely:
- Registration number 74/4446-8 in classes 23, 24 and 26;
  - Registration number 73/5604 in class 25;
  - Registration number 74/5832 in class 35;
  - Registration number 74/5826-31 in classes 36-41; and
  - Registration number 74/5836 in class 42.
- 2.3 The Complainant established its retail business in South Africa in 1965 and has over the years expanded its operations. Currently the business consists inter alia of 1600 Pep Stores, 75 stand-alone homeware stores and 215 stores that sell airtime and cellular products under the PEP trade mark.
- 2.4 The Registrant is Pep Application Software and Consulting CC (registration number 1990/023493/23). Mr Alberto Pepler and Mrs Sophia Helena Pepler are the members of the close corporation.
- 2.5 The Registrant registered the disputed domain name pep.co.za on 9 April 1999 in the name of "Pep Application Software".
- 2.6 The disputed domain name resolves to a web site <http://apphoto.co.za>.

### 3 Parties' Contentions

#### 3.1 Complainant

- a) The Complainant notes that it has built up a considerable reputation and goodwill in the PEP trade mark through its widespread,

consistent and intensive use of the mark and through various advertising, marketing and other promotional activities.

- b) The Complainant says it became aware of the disputed domain name when it decided to register it. It realised that the disputed domain name is indispensable to its business, (even if redirected to its current domain name [www.pepstores.co.za](http://www.pepstores.co.za)) due to the extensive reputation it enjoys in its PEP trade mark.
- c) The Complainant asserts that the Alternative Dispute Resolution Regulations promulgated in 2007 is applicable to all domain name disputes relating to .co.za registrations, irrespective of the date of the domain name registrations.
- d) Complainant submits that the domain name in the hands of the Registrant is an abusive registration in terms of Regulation 3(1)(a) as the registration and the continued use of the disputed domain name is abusive.
- e) The Complainant notes that the Registrant is indicated as “Pep Application Software” on the whois database whereas its correct name is “Pep Application Software and Consulting CC”. The Registrant’s postal address is also incorrect. The Complainant notes that the provision of false or incomplete “whois information” is indicative of bad faith.
- f) The Complainant avers that the web site <http://appphoto.co.za> appears to be a stand-alone business of Mr Pepler’s son, Alberto Pepler Jr, operated in his personal capacity. It submits that linking the disputed domain name to this web site is abusive. It notes that the Registrant is relying on diverting customers who are interested in the

Complainant's goods and services to accidentally arrive at the Alberto Pepler Photography site, and if they are interested in photography to make use of the services offered on the web site. The Complainant notes that it is not aware of any other use of the mark PEP by Alberto Pepler Jr., Alberto Pepler Photography or the Registrant (save as the disputed domain name). It is averred that the disputed domain name is being used as a "mis-direction tool" and not as the bona fide offering of goods and services of the Registrant.

- g) The Complainant states that the disputed domain name is identical to the Complainant's well-known PEP trade mark.
- h) The Complainant asserts that the Registrant has no legitimate and bona fide interest in the disputed domain name and that the Registrant has registered same in a mala fide manner.
- i) The Complainant alleges that the Registrant has no conceivable reason for acquiring the disputed domain name other than to lure customers to the website of Alberto Pepler Photography and to obtain some commercial advantage for Alberto Pepler Photography through the extensive reputation of the Complainant. The Complainant notes that the disputed domain name is not used to promote the legitimate business of the Registrant and therefore the Complainant can only surmise that the disputed domain name was registered with an ulterior motive and in bad faith.
- j) The Complainant states that at the time of the registration of the disputed domain name it took unfair advantage of, or was unfairly detrimental to the rights of the Complainant as it has been blocked from making use in the course of trade of a domain name that is

identical to the trade mark in which it holds rights.

- k) The Complainant notes that unfair advantage is created by giving the initial impression to customers that by entering the domain name they will deal with the Complainant. By the time they realise their error Alberto Pepler Photography will have unfairly benefitted from the advertisement of its web site generated by the Complainant's reputation and the strength of the PEP trade mark. Accordingly the Complainant concludes that the Registrant is aiding Alberto Pepler Photography to use the Complainant's well-known trade mark to attract Internet users to its web site for commercial gain.
- l) As the Registrant has no legitimate interest in the disputed domain name itself the Complainant concludes that the Registrant intentionally sought to block the Complainant from registering the disputed domain name.
- m) The Complainant notes that PEP is a well-known trade mark and the Registrant must therefore have known that its registration of the disputed domain name will stifle the Complainant's business.
- n) The Complainant also notes that the registration of a well-known mark is, in itself, an indication of bad faith.
- o) The Complainant avers that the registration of the disputed domain name unfairly disrupts its business as it prevents it from registering PEP as a .co.za domain name and it accordingly also inhibits the marketing and advertising efforts of the Complainant
- p) The Complainant alleges that the Registrant has registered the disputed domain name in a way that leads people to believe that the

domain name is registered to, operated to or authorised by, or otherwise connected with the Complainant. The mere fact that the disputed domain name contains the Complainant's trade mark will lead people or businesses to this belief.

- q) Lastly, the Complainant avers that the Registrant is using the disputed domain name to unlawfully take advantage of and ride on the goodwill and reputation of the Complainant with a view to attract custom for Pepler Jr.'s photography business.

### 3.2 Registrant

- a) The Registrant submitted a Response to the complaint.
- b) The Registrant's Response purports to provide a justification for the adoption of the disputed domain name.
- c) The Registrant avers that his surname is Pepler and that he linked part of his surname, "Pep", to the name for his business, namely "Pep Application Software & Consulting CC" in 1990.
- d) The Registrant states that the disputed domain name is linked to his business name, namely "Pep Application Software & Consulting CC".
- e) The Registrant notes that he uses the disputed domain name in his IT business, namely for e-mail communication and for his "registered" software.
- f) The Registrant states that the disputed domain name resolves to a web site <http://apphoto.co.za> where he and his son upload online albums of photographs and offer their services as photographers for

various occasions.

- g) The Registrant notes that he received neither an objection to his business name or to the use of the disputed domain name in the past sixteen years.
- h) The Registrant avers that the photography landing page of the disputed domain name falls outside the scope of the Complainant's business sphere and could therefore not harm the Complainant's business operations.
- i) Lastly the Registrant notes that:

"As mentioned, my IT business is built around my domain pep.co.za. However, should the complainant wish to use the web page for pep.co.za, they can contact me".

### 3.3 Complainant's Reply to Registrant's Response

- a) The Complainant notes that the Registrant did not address the incomplete whois contact details.
- b) The Complainant disputes that "Pep" is linked to the Registrant's surname and notes that there is no evidence that "PEP" was legitimately connected with the Registrant in the course of trade at the time of the registering of the domain name. The Complainant also avers that the domain name is not the surname of Mr Pepler nor is it the name of the Registrant. The Complainant avers that the only "link" which the disputed domain name has with the Registrant is that it is the first three letters of its name. The Complainant concedes that it shows a possible or conceivable explanation for the selection of the disputed domain name.



- c) The Complainant notes that Mr Pepler must have been aware of the Complainant's extensive rights in its well-known PEP trade mark when electing to register this domain name and one cannot simply register a company or close corporation name which incorporates a well-known trade mark together with additional matter and then register a domain name identical to the well-known trade mark, and then claim that such domain name is not abusive because there is a "link" to the company or close corporation name.
- d) The Complainant notes that the Registrant could not have genuinely believed that a domain name consisting only of "PEP" would be understood by consumers to refer to the business of PEP APPLICATION SOFTWARE. The Registrant must have been aware that its actions would lead to confusion and impact negatively on the business of the Complainant. The Complainant re-iterates that the choice of the disputed domain name was not genuine and in good faith.
- e) The Complainant notes that it is irrelevant whether or not the Registrant has received any objections to its name. The Registrant's name is not in dispute. It is only the domain name pep.co.za, which is in dispute. As stated above, the fact that the Complainant has to date not objected to the disputed domain name does not provide the Registrant with any right in it or render it not abusive. The Complainant notes that upon becoming aware of the abusive domain name registration the Complainant instituted this dispute.
- f) The Complainant notes that it has no knowledge of whether the Registrant is using pep.co.za as an email address or whether this

email address is merely the personal email address of Mr Pepler. The Complainant notes that the Registrant has not provided any proof of this allegation. The Complainant also notes that any person seeing the email address ending in pep.co.za would assume or wonder if it has any relationship in the course of trade with the Complainant.

- g) The Complainant notes that the Registrant has not used or made any preparations to use the disputed domain name in connection with the bona fide offering of its services.
- h) The Complainant notes that there is no legitimate business reason for the Registrant to link the disputed domain name to the [www.apphoto.co.za](http://www.apphoto.co.za) website. There is, however, a personal interest for Mr Pepler in having Alberto Pepler Photography benefit unfairly from the reputation in the PEP mark. The Complainant notes that Mr Pepler is in this sense acting through, and on behalf of, the vehicle of the Registrant to benefit his son's business (which he also claims to have an interest in).
- i) The Complainant notes that it has no interest in leasing the use of the website. The Complainant avers that it is extremely undesirable for the Complainant to merely have use of the website without also having access to, e.g. the email address. Consumers using the natural email address following the web page will be emailing the wrong business and even confidential information could land up in the hands of the Registrant. The Complainant concludes that the disputed domain name is unjustifiably being owned by the Registrant and that it cannot be asked to lease what is wrongly owned by another.

## 4 Discussion and Findings

### 4.1 Complainant's Rights

4.1.1 The Complainant has registered rights in respect of the trade mark PEP that date back to 1973. Prima facie, the Complainant is the proprietor of validly registered trade marks that comprise of the trade mark PEP.

4.1.2 The Registrant does not dispute the wealth of evidence submitted by the Complainant and the Adjudicator finds on such evidence that PEP is indeed a well-known trade mark within the meaning of Section 34(1)(c) of the Trade Marks Act 194 of 1993 and had attained that status at least in 1999 when the disputed domain name was registered.

4.1.3 The disputed domain name which consists of the Complainant's trade mark PEP coupled with the generic suffix ".co.za" is identical to the trade mark PEP.

### 4.2 Abusive Registration

4.2.1 The disputed domain name is abusive if:

- (a) it was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's rights; or
- (b) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights

4.2.2 The relevant factors that may indicate that the disputed domain name is an abusive registration include: -

- (a) Circumstances indicating that the registrant has registered or otherwise acquired the domain name primarily to (ii) block intentionally the registration of a name or mark in which the complainant has rights; (iii) disrupt unfairly the business of the complainant; or (iv) prevent the complainant from exercising his, her or its rights;
- (b) Circumstances indicating that the registrant is using, or has registered, the domain name in a way that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the complainant; and
- (c) False or incomplete contact details provided by the registrant in the whois database.

4.2.3 The Complainant alleges that the disputed domain name is a blocking registration as it was registered primarily to intentionally block the registration of a name/mark in which the Complainant has rights (Regulation 4(1)(a)(ii)).

The Adjudicator in ZA2007-0003 (Telkom SA Limited v Cool Ideas 1290 CC) held that a blocking registration has two critical features. The first is that it must act against a name or mark in which the Complainant has rights. The second feature relates to an intent or motivation in registering the domain name in order to prevent a Complainant from doing so.

It is indisputable that the Registrant must have been aware of the Complainant's rights at the time of the disputed domain name registration. The disputed domain name prevents the Complainant from reflecting its trade mark in a corresponding domain name in the .co.za registry. However, the Registrant was incorporated under Pep

Application Software & Consulting CC and registered the dominant part of this name as a domain name. The Complainant has not proved that the Registrant's intent or motivation in registering the domain name was to prevent the Complainant from doing so.

The Complainant referred the Adjudicator to *The Gap Inc v Deng Youqian* WIPO Case No D2009-0113 where the Panel concurred with previous WIPO UDRP decisions holding that the registration of a well-known trade mark as a domain name is a clear indication of bad faith in itself, even without considering other elements (see also *Veuve Clicquot Ponsardin Maison Fondée en 1772 v The Polygenix Group Co* WIPO Case No D2000-0163; *PepsiCo Inc v "null", aka Alexander Zhavoronkov* WIPO Case No D2002-0562; *Pepsico Inc v Domain Admin*, WIPO Case No D2006-0435).

The Adjudicator concludes that the mere registration of the PEP trade mark as the disputed domain name was an indication of the Registrant's bad faith.

4.2.4 Is the disputed domain name being used in a manner that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant?

In this instance bad faith will be evidenced if, for example, the disputed domain name is or was linked to a web page with sponsored links and as such, the commercial gain indicates the Respondent's bad faith (see UDRP decisions such as *Red Bull GmbH v Unasi Management Inc* WIPO Case No D2005-0304; *Banca di Roma SpA v Unasi Inc a/k/a Domaincar* WIPO Case No D2006-0068; *Zinsser Co Inc Zinsser Brands Co v Henry Tsung* WIPO Case No D2006-0413;

Volvo Trademark Holding AB v Unasi Inc WIPO Case No D2005-0556; and Gianfianco Ferre' SpA v Unasi Inc WIPO Case No D2005-0622).

- 4.2.5 The disputed domain name links to the web site [www.apphoto.co.za](http://www.apphoto.co.za) (the Registrant's current web site). The Complainant did not offer any evidence that the Registrant gained any unfair commercial advantage through the use of the disputed domain name though, for example, sponsored links. No evidence was put forward that its customers were confused and were siphoned to the Registrant's web site. As a matter of fact, the Complainant did not counter the Registrant's averment that there has not been a single complaint in the past sixteen years regarding his use of PEP either as part of its corporate name or as a domain name. The Complainant itself also only became aware of the disputed domain name once it decided to register same so it had no prior knowledge of the disputed domain name or any abusive use.

Accordingly, the Adjudicator finds, on a balance of probabilities, that the disputed domain name is not being used in a manner that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.

- 4.2.6 Was the disputed domain registered primarily to prevent the Complainant from exercising its rights (Regulation 4(1)(a)(iv))? Two issues must be considered here. First, whether the disputed domain name prevents the Complainant from exercising its rights i.e. registering "pep" as its own domain name in the .co.za registry. Secondly, the question arises whether the Registrant had acted in

good faith or otherwise in registering the disputed domain name (see ZA2007-0003 (Telkom SA Limited v Cool Ideas 1290 CC)).

It is clear that the disputed domain name registration prevents the Complainant from exercising its rights i.e. registering PEP as a domain name in the .co.za registry.

The Adjudicator must examine all the circumstances of the case to determine whether Registrant is acting in bad faith. Examples of circumstances that can indicate bad faith include where there is no response to the Complaint, the concealment of identity and the impossibility of conceiving a good faith use of the domain name (Jupiters Limited v Aaron Hall D2000-0574; Ladbroke Group Plc v Sonoma International LDC D2002-0131).

- 4.2.7 A Response must detail any grounds to prove that the domain name is not an abusive registration. The Response must make out a bona fide prima facie case that the disputed domain name registered by it is not abusive.

Regulation 5(1) provides that certain factors may indicate that the domain name is not an abusive registration. The Registrant must make out a bona fide prima facie case in its Response, namely that before being aware of the Complainant's cause for complaint, the Registrant has -

- (i) used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services; or
- (ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name.

4.2.8 The Registrant has stated that it uses the disputed domain name as an e-mail address (i.e. that it makes use of the disputed domain name in the good faith offering of goods or services). The Complainant noted that it has no knowledge of this fact even though the use of the domain name is recorded on Annexure JFP 1 (the whois information captured in 1999). The continued use of this e-mail is evidenced from the correspondence that the Administrator has had with the Registrant regarding this Complaint. This forms part of the evidence that the Adjudicator has to take into account (see *Wilserv Corporation v Willi Kusche* (WIPO Case No D2007-0004)).

In *Wilserv Corporation v Willi Kusche* (WIPO Case No D2007-0004) it was noted that the use of a domain name as an email address (where the Registrant's business was known by a corresponding name) amounts to legitimate use of the domain name. The Panel noted that the UDRP Policy, paragraph 4(c), does not require that the domain name be used for a website; using the domain name for business e-mail addresses also satisfies the letter and spirit of the Policy.

4.2.9 An Adjudicator may undertake limited factual research into matters of public record if she deems this necessary to reach the right decision. This may include visiting the website linked to the disputed domain name in order to obtain more information about the respondent and the use of the domain name, consulting a repository such as the Internet Archive (at [www.archive.org](http://www.archive.org)) in order to obtain an indication of how a domain name may have been used in the relevant past (see WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") and cases cited such as *InfoSpace.com Inc v Hari Prakash* WIPO Case No. D2000-0076 and



Sensis Pty Ltd Telstra Corporation Limited v Yellow Page Marketing BV WIPO Case No. D2011-0057. This is not limited to default proceedings.

A cursory review of the Internet web archive reveals that the disputed domain name resolved to the web site of Pep Application Software from at least July 2001 to January 2002 (see [https://web.archive.org/web/\\*/http://pep.co.za](https://web.archive.org/web/*/http://pep.co.za)). The disputed domain name did not resolve to a web site from February 2002 up to April 2012 and since that date it resolves to the Registrant's web site. One may conclude that in addition to the use of the disputed domain name as an e-mail address it was also used by the Registrant for the bona fide offering of goods and services from July 2001 to January 2002.

The Complainant avers that Mr Pepler is in this sense acting through, and on behalf of, the vehicle of the Registrant to benefit his son's business. The Registrant made it clear in its Response that Mr Pepler Senior (a member of the close corporation) and Mr Pepler Junior are offering their services as photographers on the Registrant's web site. A cursory review of [www.apphoto.co.za](http://www.apphoto.co.za) confirms this fact.

Nothing turns on the fact that the services offered currently are different from the initial services offered at [www.pep.co.za](http://www.pep.co.za).

The Accordingly, the Adjudicator finds, on a balance of probabilities, that the Registrant makes use of the disputed domain name in the good faith offering of goods or services.

4.2.10 The next question to consider is whether the Registrant is commonly known by the name (the disputed domain name) or legitimately connected with a mark which is identical or similar to the disputed domain name.

The Registrant is not legitimately connected with a mark which is identical or similar to the disputed domain name.

The phrase “commonly known by a name” also refers to a corporate body’s trading name. The Registrant has been commonly known by the name “Pep Application Software” or “Pep Application Software & Consulting”. The Registrant was incorporated in 1990 and has to date traded as “Pep Application Software” or “Pep Application Software & Consulting”. The dominant feature of this name is “Pep”. It is irrelevant for this enquiry whether the Registrant was at liberty to be incorporated under that name.

As noted above, the Complainant avers in its Reply to the Registrant’s Response that the only “link” which the disputed domain name has with the Registrant is that it is the first three letters of its name. It is important to note that the Complainant conceded that it shows a possible or conceivable explanation of the selection of the domain name.

It follows that the Registrant’s explanation for adopting the close corporation name is conceivable. Accordingly, the Adjudicator finds, on a balance of probabilities, that the disputed domain name “pep.co.za” is not abusive as it is similar to the name the Registrant has been commonly known as.

4.2.11 The Complainant has noted that incorrect information appears on the whois database. The Registrant did not address this allegation. Even where the incorrect information does not amount to a concealment of identity, this factor may indicate that a domain name is an abusive registration. In the current case the incorrect information is not deemed relevant for the determination of bad faith.

4.2.12 It is unclear what the Registrant meant in its response that the Complainant can contact it if it wishes to “use the web page” and why the Complainant views this as an offer to “lease” the web site.

4.2.13 After taking all factors into consideration the Adjudicator finds, on a balance of probabilities, that the disputed domain name “pep.co.za” is not an abusive registration. The Adjudicator is of the opinion that in this case the “first come first serve” principle should prevail.

The mere fact that the Registrant is currently trading under the name Pep Application Software raises the possibility of conceiving a good faith use of the disputed domain name. Secondly, the Registrant has since 1999 used the disputed domain name as an e-mail address thereby establishing the good faith use of the domain name. Thirdly, the Registrant is currently making bona fide use of the disputed domain name for a web site devoted to photography. Lastly, the Registrant has been commonly known as Pep Application Software. The disputed domain name is similar to this name.

## 5. Decision

5.1 For all the foregoing reasons, the Dispute is refused.

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**TANA PISTORIOUS**

SAIIPL SENIOR ADJUDICATOR

[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)