

Decision

[ZA2017-0279]

**.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)**

ADJUDICATOR DECISION

CASE NUMBER:	ZA2017-0279
DECISION DATE:	26 October 2017
DOMAIN NAME	kululabiz.co.za
THE DOMAIN NAME REGISTRANT:	Yusuf Rahman
REGISTRANT'S LEGAL COUNSEL:	none
THE COMPLAINANT:	Comair Limited
COMPLAINANT'S LEGAL COUNSEL:	Adams & Adams (Gerard du Plessis)
2 nd LEVEL ADMINISTRATOR:	ZA Central Registry (CO.ZA)

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **31 August 2017**. On **4 September 2017** the SAIPL transmitted by email to the ZA Central Registry (ZACR) a request for the registry to suspend the domain name(s) at issue, and on **4 September 2017** ZACR confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), 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 **8 September 2017**. In accordance with the Regulations the due date for the Registrant's Response was **9 October 2017**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **10 October 2017**. Thereafter the Registrant failed to submit a Response.
- c) Accordingly, the Complainant did not submit any Reply.
- d) The SAIPL appointed **Andre van der Merwe** as the Adjudicator in this matter on **19 October 2017**. 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) The Registrant had indicated by email that: "We are busy reaching a resolve (sic!) in said matter and our attorneys are corresponding between each other." However, the parties were unable to settle this dispute.

2 Factual Background

- 2.1 The Complainant is the proprietor of 32 trademark registrations in South Africa for the name and trademark **KULULA** and for trademarks

incorporating the name and trademark **KULULA** such as **KULULA MOOLA** and **KULULA JETSETTERS**, and other trademarks in various classes. These trademark registrations date from 2001 and are presently in force.

- 2.2 The Complainant has used its name and trademark **KULULA** in South Africa and other countries for the past 16 years, primarily in respect of travel and transport services but also in respect of car rental services and extensive retail services. This usage has included major and prominent advertising campaigns that include exposure on television, radio, printed media and outdoor billboard displays. The Complainant has provided printouts of its website and the websites of its trading partners such as First National Bank and Discovery Health. As a result of the aforementioned, the Complainant has received various awards such as being named "Airline of the year in 2002". **KULULA.COM** was also the winner of the "Financial Mail Adfocus Advertiser of the year 2003" and in 2010 the Complainant won a Gold & Bronze Loerie award for the best integrated advertising in its "You know what" campaign.
- 2.3 The Complainant's business turnover and marketing expenditure is considerable and has grown from approx. R1 160m and R55.2m, respectively, in 2001 to approximately R5 890m and R101.9m, respectively, in 2015.
- 2.4 The Complainant has registered the domain name **kulula.com** in 2001, and the website situated at www.kulula.com is the Complainant's primary portal for conducting its business. The Complainant has also registered various other domain names including the domain name **kulula.co.za** in 2001, which resolves to the same website as the domain name **kulula.com**. The Complainant additionally registered the domain name **kulula.biz** in 2008.
- 2.5 The Registrant registered the disputed domain name **kululabiz.co.za** on 22 September 2014.
- 2.6 The Complainant became aware of the dispute domain name during July

2017, and a letter of demand from its attorneys was sent to the Registrant on 2 August 2017. Although the Registrant's attorneys responded to the Complainant's attorneys, and further correspondence crossed between the respective attorneys, the Registrant has to date not complied with the Complainant's demands.

3 Parties' Contentions

3.1 Complainant

- a) The Complainant contends that it has statutory rights in and to its name and trademark **KULULA** by virtue of its above-mentioned trademark registrations in South Africa.
- b) The Complainant contends that it has, through extensive and wide-spread use, advertising and promotion of its name and trademark **KULULA**, and through its major business operations both in South Africa and internationally, as set out above, developed a considerable repute or reputation, and hence goodwill, in and to the name and trademark **KULULA**, under the common law. It therefore claims to have acquired substantial common law rights in its name and trademark **KULULA**. Moreover, the Complainant contends that **KULULA** has become a well-known trademark in terms of the Trade Marks Act of 1993.
- c) The Complainant contends that through various registrations of domain names that include its name and trademark **KULULA**, it has certain rights flowing from such registrations.
- d) The Complainant contends that its name or mark (in which it has rights) namely **KULULA** is wholly incorporated in the disputed domain name. The addition of **BIZ** therein will likely be seen as an abbreviation for **BUSINESS**, and hence this does not serve to distinguish the disputed domain name from the Complainant's mark.

In addition, the Complainant's registration and use of the domain name **kulula.biz** will further contribute to the likelihood that use of the disputed domain name will cause confusion among consumers.

- e) The Complainant contends that the disputed domain name resolves to a website that appears to be used by a company with the name OIL 4 AFRICA, a manufacturer of lubricant in the Middle east and Africa, and it is submitted that there is no apparent reason why such a company would want to use the disputed domain name other than to take unfair advantage of the reputation and goodwill vesting in the Complainant's name and trademark **KULULA**.
- f) The Complainant contends that use by the Registrant of the disputed domain name in respect of services rendered by the Registrant amounts to unauthorized use and hence to trademark infringement in terms of the Trade Marks Act, and to passing off under the common law.
- g) The Complainant contends that the Registrant has no rights or legitimate claim in respect of the disputed domain name or the Complainant's mark **KULULA**, and hence he has acted in bad faith in registering the disputed domain name.
- h) The Complainant contends that, in terms of Regulation 4, the registration of the disputed domain name has the effect of barring the Complainant from registering or using the identical domain name namely that the disputed domain name has a blocking effect; that the disputed domain name prevents the Complainant from exercising its rights; that the disputed domain name will mislead and deceive consumers; and that the Registrant has registered the disputed domain name with the intention of benefitting from the extensive reputation of the Complainant.
- i) Finally, the Complainant contends that use of the disputed domain

name by the Registrant is likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the Complainant's well known **KULULA** trademark.

3.2 Registrant

- a) The registrant did not file a Response herein, and hence did not respond to the Complainant's contentions. In the absence of any facts or contentions submitted by the Registrant, the Dispute will of necessity be dealt with on a default basis.

4 Discussion and Findings

- a) 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 proved, on a balance of probabilities, in terms of Regulation 3(2), that the required elements in terms of Regulation 3(1)(a) are present *viz*:
 - i) that the Complainant has rights in respect of a name or mark,
 - ii) that is identical or similar to the disputed domain name; and
 - iii) that, in the hands of the Registrant, the disputed domain name is an abusive registration.

An abusive registration is defined in the definition section *viz* in Regulation 1, to mean a domain name which either:–

- a) 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.

SUBSTANTIVE ASPECTS

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

RIGHTS IN RESPECT OF A NAME OR MARK

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.

As has been decided in the South African appeal decisions of www.seido.co.za (ZA2009-0030) and www.xnets.co.za (ZA2011-0077), 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.

It is also a matter of *locus standi* in order to make sure that the person who complains is someone with a proper interest in the complaint. The threshold in this regard should be fairly low.

DOES THE COMPLAINANT HAVE RIGHTS?

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 trade mark **KULULA**. This will also determine whether the Complainant has the necessary *locus standi* to bring this Complaint. The Complainant contends that it has rights in and to the name and mark **KULULA**, and the Registrant has not filed a response or denied this.

The Complainant has shown that it has registered its name and trade mark **KULULA** as a trade mark in South Africa, from as early as 2001. These trade mark registrations are shown to be in force and are considered by the Adjudicator to be *prima facie* valid.

Considering for convenience only the South African registrations, the rights flowing from these registrations could be enforced by the Complainant against an infringer who without authority was to use the name and trade mark **KULULA**, or a confusingly similar trade mark, in the course of trade.

In support of the abovementioned, the Adjudicator refers to the textbook: South African Law of Trade Marks by Webster and Page, Fourth Edition, paragraph 12.5 *et seq*, and the foreign and South African decided cases

cited therein.

These rights could also be used against a third party who was to attempt to register such a trade mark, in order to oppose such a trade mark application.

In support of the abovementioned, the Adjudicator refers to the textbook by Webster and Page, cited above, paragraph 8.30 *et seq*, and the foreign and South African decided cases cited therein.

The Complainant has also registered various domain names in South Africa and in various other countries, that include their name and trade mark **KULULA**. This provides the Complainant with rights in terms of the Regulations to object to a disputed domain name in the event that their name and trade mark **KULULA** is identical or similar to a disputed domain name.

The Complainant has shown that it has enjoyed considerable sales of its **KULULA** services since 2001, both internationally and in South Africa. It has also shown that it has expended considerable funds on marketing and promoting its **KULULA** products and services, 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, particularly in South Africa, it has developed a substantial repute or reputation, and hence goodwill, in terms of the common law.

Such reputation, as forming part of its goodwill, stemming from that reputation, in respect of its name or trade mark **KULULA** could be damaged by means of unlawful competition or more particularly passing-off under the common law by another party wrongly representing that it is, or is associated with, or part of, the Complainant and its business.

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 claims to have justifiable and justiciable rights under the common law in respect of its name and trade mark **KULULA** viz rights

that can be enforced against others who infringe or would be likely to damage such rights.

In support of the above, the Adjudicator refers to the above-mentioned South African domain name decision ZA2007-0003 at page 9; and the textbook Webster and Page, cited above, at paragraphs 15.5 and 15.7 and the South African and foreign court decisions cited therein.

The Adjudicator may mention in passing that the Complainant's trade mark rights in and to the name and trademark **KULULA** have previously been established in at least one previous South African domain name decision.

In addition, the Adjudicator should point out that the Complainant contended that the name and trademark **KULULA** had become well-known in South Africa. Although no evidence of such well-known status of **KULULA** was submitted, it may well be that such a contention can be supported. However, it was not necessary for the Adjudicator to consider this aspect further.

Considering all the above factors, the Adjudicator therefore finds that the Complainant has proved, on a balance of probabilities, that it has both registered and unregistered rights *viz* common law rights in respect of its name and trade mark **KULULA**. The Complainant has thereby also established that it has the necessary *locus standi* to bring this Complaint.

NAME OR MARK IDENTICAL OR SIMILAR TO THE DISPUTED DOMAIN NAME?

The second element that the Adjudicator needs to establish is whether, on a balance of probabilities, the Complainant has proved that its name or mark **KULULA**, in which it has established that it has rights as set out above, is identical or similar to the disputed domain name. The Complainant contends that its name and mark **KULULA** is identical or similar to the disputed domain name.

The Complainant's name and mark (in which it has rights) is **KULULA**, while the disputed domain name is **kululabiz.co.za**. Ignoring the first and second level suffixes, in terms of Regulation 5(c), the comparison becomes **KULULA v KULULABIZ**. The Registrant has simply added the suffix **BIZ** to

the Complainant's name and trade mark **KULULA**.

The disputed domain name contains the Complainant's name and mark **KULULA** in its entirety. This is undeniably the distinctive, dominant and memorable element of the domain name, and this is the term or feature that is likely to be known to a substantial number of members of the public. In other words, the Registrant has merely added the simple, descriptive, and non-distinctive or generic abbreviation **BIZ** (accepted as the shortened form of the word for "business") to the distinctive **KULULA** name/trade mark. A reasonable person – such as the often-cited reasonable man – will therefore find it difficult to avoid the inevitable conclusion that the Complainant's name and mark **KULULA** is similar to the disputed domain name.

More particularly, the Adjudicator points out that the Complainant's domain name KULULA.BIZ is strikingly similar, if not in effect identical, to the disputed domain name.

In support of the above, see the following foreign domain name decisions:- In NAF/FA141825 it was held that: *"It is also well-established under the policy that a domain name composed of a trade mark coupled with a generic term still is confusingly similar to the trade mark."*

In WIPO/D2002-0367 (experianoutomotive.com) the Panel concluded that: *"The disputed domain name contains Complainant's EXPERIAN trade mark in its entirety. The addition of the generic term "automotive" does not distinguish Respondent's domain name from Complainant's mark."*

See also the decisions WIPO/D2000-1598 in which niketravel.com and nikesportstravel.com were found to be similar to NIKE; DRS04601 in which nikestore.com was found to be similar to NIKE; and DRS01493 in which nokia-ringtones.com was found to be similar to NOKIA.

The Adjudicator also refers to the following foreign domain name decisions:- In WIPO/D2006-1031 the disputed domain name mymastercard.com was found to be similar to the registered trade mark MASTERCARD. In other words, the addition of the pronoun 'MY' was held not to be sufficient to avoid confusion. The panel also referred to the decision WIPO/D2000-1007 (Sony Corporation v Sin, Eonmok).

In NAF/FA1412001596504 (2015) the disputed domain name

youwenttojared.com was found to be similar to the trade mark HE WENT TO JARED. In this case the pronoun 'YOU' was substituted for the pronoun 'HE'.

In DRS1061 (2015) the .nz Dispute Resolution Service found that the disputed domain names mycoke.co.nz and mycoke.net.nz were similar to the COKE registered trade mark. The Expert found that: *"Adding 'MY' is insufficient to differentiate the term from the Complainant's marks."*

The Adjudicator finally refers to the following South African domain name decisions:–

- a) in ZA2007-0003 telkommedia.co.za was found to be similar to TELKOM;
- b) in ZA2007-0010 mwebsearch.co.za was found to be similar to MWEB;
- c) in ZA2008-0025 suncityshuttle.co.za was found to be similar to SUN CITY;
- d) in ZA2009-0034 absapremiership.co.za was found to be similar to ABSA;
- e) in ZA2010-0048 etravelmag.co.za was found to be similar to ETRAVEL; and
- f) in ZA2013-00149 autotraderauction.co.za was found to be similar to AUTOTRADER.

The Adjudicator wishes to point out that the test or criterion in the Regulation, the wording of which is set out above, is not "confusing similarity" but merely "similarity", which involves a lower standard of comparison.

Accordingly, the Adjudicator finds that the Complainant has proved, on a balance of probabilities, that the name and trade mark **KULULA** is similar to the disputed domain name.

IS THE DISPUTED DOMAIN NAME AN ABUSIVE REGISTRATION?

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. The Complainant asserts that the

disputed domain name is an abusive registration.

The Adjudicator is required to determine whether the disputed domain name is an abusive registration as defined in the definition section of the Regulations *viz* in Regulation 1, and as set out above.

According to the definition, and to various Nominet decisions, there are two potential abuses (or two types of abuse) *viz*:

- a) Registration with an abusive intent; and/or
- b) Use in an abusive manner.

At the outset, the Adjudicator refers to DRS 02464 (Aldershot Car spares v Gordon); and to DRS 00658 (Chivas Brothers Ltd v David William Plenderleith), which decisions have been cited with approval in certain South African domain name decisions, in which the Expert stated that: "*Where a Respondent registered a domain name*

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

The Adjudicator also refers to the South African decision ZA2007-007 (FIFA v X Yin). Against the background of the aforementioned decisions, the Adjudicator concurs 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.

Regulation 4 provides a list of (non-exhaustive) factors/circumstances, which may indicate that a disputed domain name is an abusive registration. More particularly, Regulation 4 lists factors or circumstances that indicate

that the Registrant has registered the disputed domain names for various stated reasons that may indicate that the disputed domain name registration is an abusive registration. The Complainant has asserted the following factors or circumstances that will be discussed below *viz*:

Regulation 4(1)(a)(ii) – Circumstances indicating that the Registrant has registered or acquired the (disputed) domain name primarily to block intentionally the registration of a name or mark in which the Complainant has rights.

The Adjudicator points out that the Registrant is resident in South Africa, and hence he should reasonably have been aware, or even well aware, of the name and trademark **KULULA** and its generally well-known budget airline business in South Africa. Hence it would be difficult to imagine that the Registrant would have denied such knowledge, if he had filed a response.

Although the Regulations (and definitions) are silent on what a “blocking registration” is or involves, 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 the foreign decisions DRS00583 (club1830uncovered.co.uk) and DRS01378.

The disputed domain name undeniably prevents the Complainant from registering this domain name, or its name or trade mark in this form, for itself whether through the intent of the Registrant and/or as an unintended consequence of the disputed domain name registration.

The Adjudicator is obliged to conclude that the registration of the disputed domain name has the simple consequence of barring, and hence blocking, the Complainant from using and registering this domain name for itself, as the legitimate owner of rights to the relevant name and trade mark **KULULA**. The Adjudicator is also obliged to conclude that it was the primary purpose of the Registrant to intentionally block the registration of a name or

trade mark in which the Complainant has rights so that the Registrant could use the disputed domain name for himself (and for his own business purposes).

In support of the above, see WIPO/D2000-0545 (bancolumbia.com); and the leading United Kingdom authority dealing with domain names and their “blocking” effect viz British Telecommunications plc v One in a Million Ltd [1999] FSR 1 (CA). In this case, the Court of Appeal held that the disputed domain name registrations were unlawful on the grounds of trade mark infringement and passing off, and interdicted One in a Million Ltd and those who controlled it from such conduct, and ordered them to transfer the disputed domain name registrations to the companies that in reality traded under those names.

In further support of the above, see also the foreign decision WIPO/D2000-0766 (Red Bull GmbH v Harold Gutch) which is cited in the South African decision ZA2008-0014 (Automobiles Citroen v Mark Garrod).

Accordingly, the Adjudicator concludes that this circumstance applies in the present dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

Regulation 4(1)(iv) – Circumstances indicating that the Registrant has registered or otherwise acquired the (disputed) domain name primarily to prevent the Complainant from exercising his or her rights.

From the above paragraph it will be clear that, if the disputed domain name has a blocking effect on the Complainant and its business, it will likewise prevent the Complainant from exercising its rights.

More particularly, in this case, the Complainant is prevented by the disputed domain name from registering its own **KULULABIZ.CO.ZA** domain name, which it should be entitled to do as the legitimate owner of the rights in and to the **KULULA** name and trademark.

Accordingly, the Adjudicator concludes that this circumstance applies in the present dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

Regulation 4(1)(b) - Circumstances indicating that the Registrant is using, or has registered the (disputed) domain name in a way that leads people or businesses to believe that the (disputed) domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.

The Complainant has clearly established that it has rights in and to the name and mark **KULULA** in respect of various products and services; and the Complainant's name and trade mark **KULULA** is similar to the disputed domain name. Hence there is a likelihood that a significant number of persons will be confused or deceived into thinking that the Registrant and its goods or services (if the disputed domain name was to be used for a business website) are somehow linked, or are associated with, the Complainant. Consequently, there appears to be a real likelihood of trademark infringement and/or passing-off taking place in the marketplace. See also the brief discussion under the above heading '**DOES THE COMPLAINANT HAVE RIGHTS?**'

In view of potential trademark infringement and/or passing off taking place, it appears to the Adjudicator that the abovementioned relevant circumstances are present.

The above Regulation requires either registration OR use. Various foreign decisions have found that actual use is not a hard and fast requirement. These decisions have found that sites "under construction" or "coming soon", for example, create a likelihood of confusion, or have found that, if the disputed domain name were used, it would create confusion. See for example the decisions in the foreign cases WIPO/D2000-0545; NAF/FA91359, NAF/FA95464 and NAF/FA95498.

Actual confusion is also not necessary – and the potential or (reasonable) likelihood for confusion is sufficient. In support hereof, various foreign decisions have found that confusion may be inferred in situations where the disputed domain name contains the complainant's name/trade mark plus a generic term, as in the present case. See for example the foreign decisions in WIPO/D2000-0777, WIPO/D2000-0878, NAF/FA95033 and NAF/FA95402; as well as the above NIKE and NOKIA decisions. See also the South African

decision ZA2007-0003 (Telkom SA Limited v. Cool Ideas 1290 CC) and subsequent cases citing that decision in this regard.

Accordingly, the Adjudicator concludes that this circumstance applies in the present dispute, and that this factor indicates that the disputed domain name may be an abusive registration.

DISCUSSION OF OTHER FACTORS AND CONTENTIONS HEREIN

- 1) The Complainant contends that the Registrant has acted in bad faith in registering the disputed domain name. In this regard, it appears to the Adjudicator that the Registrant should, in the course of his business activities and his personal knowledge and interests, have been aware of the Complainant's name and trademark **KULULA** and its business and rights therein, at all relevant times, since the name and trademark **KUKULA** has developed an extensive repute or reputation in South Africa.

The Registrant should therefore reasonably have been aware of the effect of the disputed domain name on the Complainant and its business. This begins to call into question whether the Registrant acted in good faith in registering the disputed domain name.

Although awareness or lack of awareness of the Complainant's name and trade mark **KULULA** at the relevant time is not *per se* a requirement herein, in circumstances where the Registrant should reasonably have known or been aware thereof, this raises a suspicion that the Registrant was not acting in good faith at that time *viz* when he decided to register the disputed domain name.

See in this regard the foreign decided domain name decisions *viz* WIPO/D2000-0037, WIPO/2000-0137-1492, WIPO/2001-1492, and WIPO/2003-0257, in which it was held that bad faith may be inferred from the registration of a trade mark that has an extensive reputation or is well-known, as part of a domain name.

In addition to the above, failure by the Registrant to reply substantively to the letter of demand dated 2 August 2017 from the Complainant's attorneys also appears to indicate a measure of bad

faith on the part of the Registrant.

Further to the above considerations, the direct question arises whether the Registrant had acted in good faith or otherwise in registering the disputed domain name. In this regard, the Registrant had warranted, when applying to register the disputed domain names, in terms of the Uniform SA terms and conditions (in clause 5.1) that:

I. "It has the right without restriction to use and register the Domain Name"; and

II. "The use or registration of the Domain Name [by the Registrant] does not or will not interfere with, nor infringe the right of any third party in any jurisdiction with respect to trade mark, service mark, trade name, company name, close corporation name, copyright, or any other intellectual property right."

Clause 5.1.1 of the Uniform SA terms and conditions state further (- to which the Registrant had agreed): *"Applicant (the Registrant) hereby irrevocably represents, warrants, and agrees that its [above] statements in the Application are accurate and complete."*

It is highly unlikely that the Registrant had not known, at all material times, of the Complainant and its rights in and to its name and trade mark **KULULA**, and hence it appears to the Adjudicator that, both from this knowledge and more directly from the above false statements or warranties by the Registrant, the disputed domain name was registered in bad faith.

In support of the above, the Adjudicator refers to the South African decision ZA2012-0117 (South African Revenue Services v Antonie Goosen) and the foreign decisions: WIPO/D2005-0283 (associatedbritishfoods.com) and WIPO/D2009-0286 (qualitair4u.com).

- 2) In the Adjudicator's view, although the disputed domain name has to date apparently not been used, it can be used by the Registrant (or another person), and if used, it has the potential of disrupting

and potentially damaging the reputation and business of the Complainant, and eroding the distinctive character of its name and trade mark **KULULA**. In the event that the disputed domain name is being held passively, this can be an indication of bad faith.

Regarding such non-use, in certain foreign decisions such as *Telstra Corporation Limited v. Nuclear Marshmallows* (WIPO/D2000-0003), it was established that registration together with "inaction" can support a finding of bad faith. This decision has been cited for that proposition and followed by subsequent panels.

In further support of the above, it has been held that failure to make use of a domain name during a two-year period after registration, constitutes bad faith. See the foreign cases *Hexagon v. Xspect Solutions Inc* (D2005-0472), and *Mondich & American Wine Biscuits Inc v. Brown* (D2000-2000-0004).

On the other hand, in the event that the Registrant were to use the disputed domain name, such unauthorized use in South Africa will amount to trademark infringement and/or passing off, as set out above - which also amounts to bad faith on the part of the Registrant. In other words, the Registrant appears to find himself caught on the horns of a dilemma, as it were, and hence potentially acting in bad faith in either situation.

- 3) The Complainant contends, and it appears, at least in principle, that the Registrant has no rights or legitimate claim in respect of the disputed domain name, and has registered the disputed domain name with the intention of benefitting from the extensive reputation of the Complainant. The disputed domain name resolves to a website that is used by a company with the name OIL 4 AFRICA, and there appears that there is no reason why a company would want to use the disputed domain name to than to take unfair advantage of the reputation and goodwill vesting in the Complainant's name and trademark **KULULA**.

Accordingly, the Adjudicator comes to the conclusion that the above

factors and circumstances apply in the present Dispute, including a lack of good faith on the part of the Registrant, and that these factors indicate that the disputed domain name may be an abusive registration.

4.1 Complainant's Rights

4.1.1 As set out above, the Adjudicator finds, on a balance of probabilities, that that the Complainant has rights in respect of a name or mark, **KULULA**, which is similar to the domain name in dispute.

4.2 Abusive Registration

4.2.1 As set out above, the Adjudicator also finds, on a balance of probabilities, that the disputed domain name 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.

4.2.2 Accordingly, the Adjudicator finds, on a balance of probabilities, that, in the hands of the Registrant, the disputed domain name, is an abusive registration.

5. Decision

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

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ANDRE VAN DER MERWE
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za