

APPEAL DECISION

CASE NUMBER:	ZA2021-0428
DECISION DATE:	15 March 2022
DOMAIN NAME:	Car.co.za
THE DOMAIN NAME REGISTRANT / APPEAL RESPONDENT:	Alastair MacMurray
REGISTRANT'S LEGAL COUNSEL:	Spoor & Fisher - Natalie Slabbert
THE COMPLAINANT / APPELLANT:	Ramsay Media (Pty) Ltd
COMPLAINANT'S LEGAL COUNSEL:	Bhc Attorneys - Liezl Mari Mouton
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	ZACR

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1) Procedural History, Factual Background and Parties' Contentions

- a. This Appeal is against the Decision of the single Adjudicator, **Mike du Toit**, dated **3 December 2021**, in which the initial complaint was denied (the "Decision").
- b. The procedural history, factual background and parties' contentions leading up to the Decision are set out sufficiently in the Decision and, for the sake of brevity, shall not be repeated herein.
- c. In accordance with the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), the due date for the Appellant to lodge a Statement of Intention to Appeal was **05 January 2022**. The Appellant (Complainant in the first instance) lodged a Statement of Intention to Appeal with the South African Institute of Intellectual Property Law (the "SAIPL") on **13 December 2021**. On **15 December 2021** the Appellant lodged its Appeal Notice containing its Grounds of Appeal. The SAIPL verified that the Appeal Notice satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure. The SAIPL forwarded a copy of the Appeal Notice to the Appeal Respondent (Registrant in the first instance) on **17 December 2021**.
- d. In accordance with the Regulations, the due date for the Appeal Respondent to lodge its Appeal Notice Response was **03 January 2022**. On **22 December 2021** the Appeal Respondent submitted its Appeal Notice Response. The SAIPL verified that the Appeal Notice satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure. The SAIPL acknowledged that a copy of the Appeal Notice Response was sent to the Appellant by the Appeal Respondent on
- e. The SAIPL appointed an Appeal Panel consisting of **Deon Bouwer**, **Victor Williams** and **Christiaan Steyn** (the "Panel") in this matter on **11 February 2022**. Each member of the Panel has submitted a Statement of Acceptance and Declaration of Impartiality and

Independence, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

2) Decision under Appeal

- i. The Adjudicator held that the Appellant had failed to illustrate that the mark "car", as opposed to the stylised version of the mark as registered as a trade mark, is distinctive of a motoring publication.
- ii. The Adjudicator further held that the word "car", in relation to a motoring publication, is one of those words that would probably never, despite overwhelming evidence of use, become distinctive of motoring publications [our emphasis added], that the same applies to the use of the word "car" in relation to vehicle sales or rentals and that although generic words, such as "wines" and "car" cannot function as trade marks, they hold huge marketing opportunities when used in a domain name.
- iii. The Adjudicator further held that:
 - the statutory and common law rights relied upon by the Appellant, do not illustrate any rights in the word "car" in relation to a motoring publication;
 - the stylised version of the CAR trade mark does not confer any rights in the simple word and that this is borne out by the evidence of use submitted and the Appellant's registered rights ; and
 - there is an inherent risk when choosing descriptive and generic words as trade marks.

- iv. The Adjudicator accordingly held that the Appellant had not proven that it has rights in the word **CAR** and therefore did not comply with Regulation 3(1)(a).
- v. Although the Adjudicator held that the Appellant had not proven rights in the word **CAR**, he dealt briefly with the conduct of the Registrant.
- vi. In this process, the Adjudicator rejected the Appellant's submission that the Respondent is not making *bona fide* use of the disputed domain name by using the domain purely as a "bounce mechanism" to a third-party website and also held that the Appellant and Respondent are not direct competitors, and that the only commonality is the fact that both deal with cars – the one writes about cars and the other sells cars.
- vii. The Adjudicator further held that the Appeal Respondent has illustrated that he has a legitimate and *bona fide* commercial interest in the business of Cars on the Internet (Pty) Ltd (COTI), the evidence presented by the Appellant does not support a finding 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 Appellant's rights; or that the domain has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Appellant's rights.

3) Parties' Submissions on Appeal

a. Appellant

The Appellant submits amongst others that the Adjudicator erred in finding that:

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- i. The Appellant had failed to prove it has any rights in the name or mark **CAR**.
 - ii. The Appellant had not complied with Regulation 3(1)(a), despite the fact that the Appellant's averment that it had *locus standi* not having been denied by the Respondent.
 - iii. The Respondent was the ultimate beneficial owner of COTI by reason of his (alleged) minority shareholding in COTI's holding company.
 - iv. The Respondent was authorised to represent COTI and appears to have accepted that the Respondent was acting on behalf of COTI in making representations pertaining to its trade marks, its goodwill and its products and services, whereas there was no evidence that he was so authorised.
 - v. The Appellant and COTI are not direct competitors despite it being common cause on the papers that the Appellant and COTI are direct competitors in the on-line advertising of motor vehicles for sale.
 - vi. The Respondent's use of the disputed domain name was *bona fide* and in the hands of the Respondent, the disputed domain name was not an abusive registration.



The Appellant submits further that that the Adjudicator ought to have found that:


- vii. Having regard to the reverse onus created by the proviso to Regulation 5, the Respondent bears the onus to prove that the disputed domain name is not an abusive registration.
- viii. The Respondent is the registrant and not COTI.

- ix. Neither the Respondent nor COTI is in fact making fair and/or *bona fide* use of the disputed domain.
- x. The Respondent had failed to demonstrate fair and/or *bona fide* use of the disputed domain name.
- xi. Its CAR marks have attained a secondary meaning, rendering them distinctive.
- xii. The timing and manner of acquisition of the disputed domain name by the Respondent, and the nature of its current use, strongly suggest it was acquired solely for the purpose of:
 - preventing Appellant from making use of the disputed domain, thereby unfairly disrupting its business and/or preventing it from exercising its rights; and/or
 - unfairly gaining leverage from Appellant's goodwill and reputation.
- xiii. The disputed domain name constitutes and abusive registration and should be transferred to it.

b. Respondent

The Respondent submits amongst others that:

- i. The parties agree that the Appellant is the registered proprietor of trade mark registration nos.1991/07024-25  in classes 16 and 25 and 2002/14196-7  in classes 16 and 25 ("the Ramsay Registrations").

- ii. Exclusive rights in the word "car" have been disclaimed in respect of trade mark registration no. 1991/07024  in class 16, and these registrations exist in a stylised form, limiting rights therein to the format in which they have been registered.
- iii. The Adjudicator was correct in finding that the Appellant cannot claim a monopoly in the generic word "car" for a publication about cars or for the sale of cars.
- iv. It cannot be overlooked that the rights in the Ramsay Registrations are limited to the logo format in which they were filed, the Appellant had, in one instance, disclaimed exclusivity in the word "car" and, importantly, that the word "car" is purely descriptive, and widely used in the trade of advertising cars for sale, and cannot be monopolised.
- v. The Appellant had failed to prove that the Ramsay Registrations have acquired a secondary meaning in relation to the sale of cars.
- vi. The Adjudicator was correct in finding that the Appellant has not proved its rights in the generic word "car".
- vii. As the Appellant did not prove rights in the mark "car" the Adjudicator correctly did not need to deal in depth with the second leg of the enquiry *i.e.* whether the registration of the domain name was abusive or not.
- viii. The *car.co.za* domain is not abusive.
- ix. Since the Appellant did not prove that it has rights in the generic word "car" in respect of a publication about cars or for the sale of cars, it was not incumbent on the Appeal Respondent to prove that the registration of the *car.co.za* domain was not abusive.

- x. It did in fact prove that the domain was not abusive for, *inter alia*, the following reasons, namely that its company has statutory and common law rights in the trade mark CARS.CO.ZA which is confusingly similar to the disputed domain car.co.za, has used the domain name in connection with a good faith offering of services; and has been commonly known by the CARS.CO.ZA mark which is similar to car.co.za; and
- xi. the appeal be refused.

4) Discussion and Findings

- i. In order to make a finding that the disputed domain name is an abusive registration, the Panel is in terms of Regulation 3(2) required to find that the Appellant has proven, on a balance of probabilities, that the required elements in terms of Regulation 3(1)(a) are present, namely that:
 - the Appellant has rights in respect of a name and mark which is identical or similar to the disputed domain name; and
 - the disputed domain name in the hands of the Appellant is an abusive registration.
- ii. "Abusive registration" is defined in Regulation 1 to mean a domain name which either:
 - 1. was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of, or was unfairly detrimental to, the complainant's rights; or

2. has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the complainant's rights.

a. Substantive Aspects

- i. Turning to the substantive aspects of this Appeal, in terms of Regulation 11(8) an Appeal proceeds on the basis of a full review of the matter. The Panel is thus obliged to consider this matter afresh.
- ii. The Panel has carefully perused the Appeal documents, as well as the Dispute and has fully considered the facts and contentions set out therein.
- iii. The Panel is further *ad idem* in its Decision.

b. Rights in Respect of Name and Mark

- i. In terms of Regulation 1, the term "rights" is widely defined and includes intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law but are not limited thereto.
- ii. In the South African appeal decisions of ZA2009-0030 (*seido.co.za*) and ZA2011-0077 (*xnets.co.za*), it was held that the notion of "rights" for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence and that the threshold in this regard should be fairly low. See also ZA2012-0115 (*konftel.co.za*), ZA2014-0168 (*heliocol.co.za*) and ZA2019-0357 (*gameready.co.za*).
- iii. That said, this lower threshold of rights cannot be viewed to be of such a nature that a purely descriptive or generic word can become distinctive or provide sufficient rights therein, as no

amount of use can render such a purely descriptive or generic word as being distinctive.

c. Does the Appellant have Rights?

- i. The Complainant holds rights in South Africa in the figurative

marks  and  in South Africa in the form of various trade mark registrations ("CAR trade mark registrations").

- ii. The Complainant also alleges that it enjoys common law rights in and to the trade marks **CARTODAY** and **CARMAG** by virtue of having used the marks in the motor journalism industry. However, the evidence relied upon by the Appellant does not support the claim and the Panel finds that the Appellant does not hold any common law right relevant to the present dispute.
- iii. Although the CAR trade mark registrations cited by the Appellant are for stylized trade marks, this fact is irrelevant in the context of domain names – see Casa Editorial El Tiempo, S.A. v. Montanya Ltd, WIPO Case No. D2009-0103.
- iv. Figurative, stylized or design elements in a trade mark are generally incapable of representation in a domain name. Such elements are therefore typically disregarded for the purpose of assessing identity or confusing similarity, with such assessment generally being between the alpha-numeric components of the domain name, and the dominant textual components of the relevant mark - see Das Telefonbuch Zeichen-GbR v. Yajun Zhang WIPO Case No. D2016-2228.
- v. However, Section 1.10 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Jurisprudential Overview 3.0") under the heading "*How are trademark*

registrations with design elements or disclaimed text treated in assessing identity or confusing similarity?” provides, amongst others, as follows:

“On this basis, trademark registrations with design elements would prima facie satisfy the requirement that the complainant show “rights in a mark” for further assessment as to confusing similarity.

However where design elements comprise the dominant portion of the relevant mark such that they effectively overtake the textual elements in prominence, or where the trademark registration entirely disclaims the textual elements (i.e., the scope of protection afforded to the mark is effectively limited to its stylized elements), panels may find that the complainant’s trademark registration is insufficient by itself to support standing under the UDRP. [See in particular section 1.2.3.]”

- vi. See also Ideation Unlimited, Inc. v. Dan Myers WIPO Case No. D2008-144.
- vii. The word “car” is disclaimed in trade mark registration number 1991/07024 but not in the remainder of the CAR trade mark registrations.
- viii. Against the above background, the Panel finds that the Appellant has, as required by Regulation 3(1)(a), proven that it “has rights in respect of a name or mark which is identical or similar” to the disputed domain name. It is therefore necessary to determine if the disputed domain name is an abusive registration.
- ix. It is therefore necessary to determine if the disputed domain name is an abusive registration.

d. Is the Disputed Domain Name an Abusive Registration?

- i. The Appellant is required to prove on a balance of probabilities that the disputed domain name is an abusive registration.
- ii. It is convenient to first address the Appellant's contention that the evidence shows that it's *"marks have attained a secondary meaning, rendering them distinctive"* and *"that the word CAR has become distinctive of the Appellant's goods and services"*. The evidence submitted does not support the Appellant's submissions and the Panel finds that the word CAR, on its own, has not attained a secondary meaning and is not distinctive of the Appellants goods and/or services.
- iii. The Appellant argues further that *"the timing and manner of acquisition of the disputed domain name by the respondent, and the nature of its current use, strongly suggests it was acquired solely for the purpose of:*
 - *preventing the Appellant from making use of the disputed domain (and thereby unfairly disrupting its business and/or preventing it from exercising its rights); and*
 - *unfairly gaining leverage from the Appellant's goodwill and reputation"*.
- iv. It is therefore necessary to consider the conduct of both the Appellant and Respondent, as well as the rights that they hold, further.
- v. It is further necessary to bear in mind that the Panel is entitled, in the process of considering the matter, to conduct, limited, independent research to confirm the facts relied upon by a party.

- vi. The above is confirmed by paragraph 4.8 of the WIPO Jurisprudential Overview 3.0 under the heading "May a panel perform independent research in assessing the case merits?" where WIPO remarks as follows:

"Noting in particular the general powers of a panel articulated inter alia in paragraphs 10 and 12 of the UDRP Rules, it has been accepted that a panel may undertake limited factual research into matters of public record if it would consider such information useful to assessing the case merits and reaching a decision.

This may include visiting the website linked to the disputed domain name in order to obtain more information about the respondent or its use of the domain name, consulting historical resources such as the Internet Archive (www.archive.org) in order to obtain an indication of how a domain name may have been used in the relevant past, reviewing dictionaries or encyclopedias (e.g., Wikipedia), or accessing trademark registration databases".

- vii. A search of the internet archive site Wayback Machine, to which both the Appellant and the Respondent make reference in their evidence, confirms the Appellant's contentions that the disputed domain name was first registered as long ago as 2001 and used, extensively, by a non-related third party iafrica.com. It further confirms that the domain name was used by iafrica.com to house its "motoring page", clearly, in competition with or rendering goods and/or services identical to that of the Appellant.
- viii. A search of the above website further confirms that iafrica.com continued to use the www.car.co.za website at least until 2014. The Appellant makes no attempt to explain its failure to object to iafrica.com's extensive use of the disputed domain name over a very long time, even though such use clearly was in competition with the Appellant and it states that the registration of the

disputed domain (by iafrica.com) prevented it from registering the disputed domain name for itself.

- ix. The aforementioned is telling in the circumstances.
- x. The Respondent explained his relationship with COTI and the interest he and COTI have in the cars.co.za domain name and trade marks, including by virtue of the use (over many years and on a substantial scale) and registration of the cars.co.za domain name and trade mark, to which the Appellant had, at no time objected to or suggested that it is entitled to object to.
- xi. The Respondent has further, satisfactorily, explained the reason for his adoption of the disputed domain name (which merely constitutes the “singular version” of the www.cars.co.za domain which has been in used for many years) as well as his use of the disputed domain name, specifically, to prevent the use and acquisition of the disputed domain name by third party competitors, which use is likely to lead to confusion, and to route traffic to the www.cars.co.za website.
- xii. It is also accepted by the Panel that numerous entities not related to either party herein will use the word “car” descriptively in a wide variety of commercial and other contexts, especially, if the accepted dictionary definition of “car”, being: “...a road vehicle with an engine and four wheels that can carry a small number of passengers...” is considered. See The Oxford English Dictionary (2020 Edition).
- xiii. The manner in which a descriptive term can be monopolised was dealt with in Patlansky & Co. Ltd v Patlansky Bros, 1914 TPD 475 where at pp 491-2, Bristowe J stated:

"...Where, however, the name is merely a general descriptive term [or use as in this instance] which anyone is as much at liberty to use as the plaintiff, then in order to obtain an interdict it is necessary to prove that by long use it has acquired a 'secondary meaning' and has come to solely designate the plaintiff's goods... But this proof is very difficult and in its absence it is well established that the mere use of the same name by another person to describe his own manufacture cannot be complained of..."

- xiv. To confirm this approach, in *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd*, (1946) 63 RPC 39 at p 43, an injunction was refused, and such refusal was ultimately confirmed by the House of Lords. Lord Simonds is reported to have said:

"It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words. *The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the article to be sold or the services to be rendered [our emphasis added]."*

- xv. Against the above background, the Panel finds that the Appellant has failed to prove any exclusive right to the descriptive word 'CAR', and similarly, that the disputed domain name was acquired by the Respondent in a manner which, at the time the acquisition took place, took unfair advantage of or was unfairly detrimental to the complainant's rights or has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights.

xvi. It is, finally, necessary, to consider if the burden of proof has shifted to the Respondent by virtue of the provisions of Regulation 5. Whereas the Panel accepts that the Appellant has sufficient rights by virtue of the CAR trade mark registrations that it holds to discharge the burden of prove imposed by Regulation 3(1)(a), the Appellant has failed to establish rights in a trade mark identical to the disputed domain name. As such, the Panel finds that the burden of proof has not shifted to the Respondent.

xvii. Furthermore, failing the establishment of rights in the CAR mark and against the background of the facts of the matter the disputed domain name was not registered or acquired by the Respondent, on the facts in 2018, in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Appellant's rights nor was the domain used in a manner that takes unfair advantage of or is unfairly detrimental to the Appellant's rights

5) Appeal Decision

- a. For all the foregoing reasons, the Panel finds that the disputed domain name is not an abusive registration. The Appeal herein is therefore dismissed.

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