

Decision

[ZA2022-0447]

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2022-0447
DECISION DATE:	25 July 2022
DOMAIN NAME:	Casinosunbet.co.za
THE DOMAIN NAME REGISTRANT:	Ms Ellie Naidoo
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	Sun International (IP) Limited
COMPLAINANT'S LEGAL COUNSEL:	Adams & Adams
2 nd LEVEL ADMINISTRATOR:	ZACR

1) Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIPL”) on **06 May 2022**. On **09 May 2022** the SAIPL transmitted by email to ZACR a request for the registry to suspend the domain name at issue, and on **09 May 2022** 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 **10 May 2022**. In accordance with the Regulations, the due date for the Registrant’s Response was **07 June 2022**. The Registrant submitted its Response on **06 June 2022** in the form of an unsigned and undated letter (the “First Response”). The SAIPL forwarded a copy of the First Response to the Complainant on **6 June 2022**.
- c) In accordance with the Regulations the due date for the Complainant’s Reply was **13 June 2022**. On 10 June 2022 and due to availability constraints, the Complainant requested an extension up to and including **17 June 2022** to submit its Reply. On the same date the Case Administrator granted the extension sought in terms clause 11 of the Supplementary Procedure. The Complainant submitted its Reply on **15 June 2022**.
- d) Thereafter, the Registrant submitted a further Response on **17 June 2022** in the form of an affidavit (the “Second Response”), stating that it had been erroneously omitted in the initial First Response.
- e) On **20 June 2022** the Registrant was notified that the Second Response could not be admitted as it was filed after the Response due date and after the Complainant had already filed a Reply.

- f) The SAIPL appointed **Mike du Toit** as the Adjudicator and **Tammi Pretorius** as the Trainee Adjudicator in this matter on **04 July 2022** and **12 July 2022** respectively. The Adjudicators have each 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 SUN INTERNATIONAL (IP) LIMITED, a wholly owned subsidiary of Sun International Limited. According to the Complainant's uncontested facts, The Sun International Group operates in a number of countries and its portfolio of assets includes world-class five-star hotels, modern casinos and some of the world's premier resorts.
- 2.2 The Complainant is the proprietor, in South Africa, of the following relevant trade mark registrations:
- no. 2012/24239 SUNBET in class 9;
 - no. 2012/24240 SUNBET in class 28;
 - no. 2012/24241 SUNBET in class 41; and
 - no. 2012/24242 SUNBET in class 42.
- 2.3 According to the Complainant, it first launched its SUNBET online sports betting facility in South Africa in November 2013, with its primary portal for conducting its online sports betting business located at the website <www.sunbet.co.za>. The domain name to which the website is attached was registered on 9 September 1999 and acquired by the Complainant in November 2013.
- 2.4 The Complainant avers that its website offers close to R100,000 markets on up to 5,000 events of 40 sports per week, trading in close to 4,000 live events per week focusing on the majority of the English Premier League, cricket and rugby events. The Complainant also avers that its SUNBET

platform also offers in excess of 68 casino-type games. According to the Complainant, betting stakes in excess of R10,968,134,66 have been made on the Complainant's online sports betting platform since its launch in November 2013.

- 2.5 It was submitted by the Complainant that, as a result of its extensive widespread use of its SUNBET trade mark in South Africa and its considerable promotion and advertising of its SUNBET products, it has acquired a substantial reputation and common law rights in its SUNBET trade mark.
- 2.6 The Registrant of the disputed domain name is Ms. Ellie Naidoo. According to the Registrant's husband ("Mr Naidoo"), the Registrant bought the disputed domain name in August 2021.
- 2.7 According to the Complainant, it became aware of the fact that the Registrant had registered the disputed domain name during August 2021. Upon becoming aware, it instructed its attorneys to address a letter of demand to the Registrant. Mr. Naidoo responded to the letter, indicating that he would be willing to sell the domain name to the Complainant.
- 2.8 Mr. Naidoo is known to certain of the employees and management of the Complainant and he was also a member of the Complainant's MVG (Most Valued Guest) programme. Mr. Naidoo was, thus, aware of the Complainant at the time of acquiring the disputed domain name.
- 2.9 The parties were engaged, at some stage, in discussions relating to a possible partnership or collaboration, but no agreement was reached.
- 2.10 The disputed domain name currently resolves to a parked webpage at <www.casinosunbet.co.za>.

3) Parties' Contentions

3.1 Complainant

- a) The Complainant contends that the disputed domain name CASINOSUNBET.CO.ZA wholly incorporates its SUNBET trade mark, and that the addition of the word “casino” does not serve to distinguish the disputed domain name from the Complainant’s trade mark. The Complainant submits, rather, that the use of the word “casino” in the disputed domain name is so closely associated with the Complainant and its brick-and-mortar casinos such that it will increase the likelihood of confusion among consumers interested in gambling.
- b) The Complainant contends that there is no apparent reason why the Registrant would want to use the disputed domain name other than to take advantage of the goodwill and reputation vesting in the Complainant’s SUNBET trade mark; and that internet users seeking the Complainant’s products and services will be confused or deceived that the disputed domain name is endorsed, or somehow connected or associated with the Complainant; thus resulting in the Registrant benefitting from the goodwill and reputation of the Complainant.
- c) The Complainant avers that it should not be placed under pressure to purchase the disputed domain name when it wholly incorporates its SUNBET trade mark.
- d) The Complainant also avers that the use of the disputed domain name by the Registrant will amount to trade mark infringement in terms of sections 34(1)(a), (b) and/or (c) of the Trade Marks Act; and could result in damage to the Complainant’s reputation in terms of unlawful competition or passing off. The Complainant refers to SAIPL Decision 2013-0153 to support its argument that the registration and adoption 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.

- e) The Complainant further advances that the disputed domain name is abusive in terms of Regulation 4 in that:
- the Registrant has no rights or legitimate claim to the disputed domain name and the registration of the domain name was made in bad faith;
 - the registration of the disputed domain name by the Registrant blocked the Complainant from using or registering the identical domain name;
 - use of the disputed domain name by the Registrant will mislead and deceive consumers into believing that it is the domain of the Complainant; and
 - the Registrant’s conduct amounts to unfair disruption of the Complainant’s business in that it will divert customers of the Complainant to the Registrant’s website, and further that this disruption is inferred since the Registrant registered a variation of the Complainant’s mark by merely adding the generic word “casino”. The Complainant refers to SAIPL Decision 2007-0003 to support its argument.
- f) For all of the above reasons, the Complainant submits that the disputed domain name in the hands of the Registrant constitutes an abusive registration in terms of Regulation 3(1)(a).
- g) Following the submission of the Registrant’s First Response to the Complaint, the Complainant submitted its Reply accompanied by a confirmatory affidavit of Mr. Nitesh Matai (“Mr. Matai”), the former General Manager of Sunbet (Pty) Ltd (part of the Sun International Group), wherein it, objected to the First Response on the basis that it does not satisfy the requirements as set out in Regulation 18, and raised an additional objection to the disputed domain name on the basis that Mr Naidoo or the Registrant acquired the disputed domain

name with the view of selling it to the Complainant in excess of the Registrant's out-of-pocket expenses associated with acquiring the domain name. Mr Matai indicates in his confirmatory affidavit that he recalls Mr. Naidoo requested an amount of R5 million, which was viewed as exorbitant by the Complainant.

- h) The Complainant contends that, despite certain of its employees and management being aware of Mr. Naidoo, it never authorised the registration of the disputed domain name by the Registrant. The Complainant refers to the confirmatory affidavit of Mr. Matai wherein Mr. Matai confirmed that he was acquainted with Mr. Naidoo but that he had no knowledge of Mr. Naidoo's intention to acquire the disputed domain name and that he only become aware of the registration of the disputed domain name through the Complainant's attorneys. According to Mr Matai, there had been discussions, at some stage, between the parties with regard to a possible marketing partnership but no agreement was reached.

3.2 Registrant

The First Response

- a) The Respondent did reply to the Complainant's contentions, albeit in a manner that did not comply with the Regulations. Mr Naidoo submitted the First Response on behalf of the Registrant.
- b) Previous SAIPL panel decisions have recognised that there is a public interest aspect to decisions of this forum, particularly in adjudicators having access to all relevant information in deciding disputes of this nature.¹ Having regard to this public interest element, and the fact that the Complainant was afforded an opportunity to reply to the First Response (which it did), the Adjudicator is prepared to allow the admission of the First Response. This decision should

¹ See ZA2019-00371, for example.

not be taken as carte blanche to lodge irregular submissions as each case should be decided on its own facts.² Moreover, given that the First Response was not deposed to under oath, and given that the First Response is unsubstantiated through evidence, the weight and probative value thereof is low and has been considered as such.

- c) According to the First Response, the Registrant bought the disputed domain name in August 2021.
- d) Prior to this, the Registrant claims to have had discussions with employees of the Complainant relating to the purchase of the disputed domain name and a possible collaboration between the parties. Nothing came of these discussions and the disputed domain name has remained parked since its acquisition.
- e) The Registrant contends that it has no intention of utilising the disputed domain name and that it would allow the Complainant to acquire the disputed domain at a reasonable price, including its cost of maintaining the domain since acquisition in August 2021. The Registrant confirms that it has no objection to the Complainant owning and using the disputed domain name.
- f) The Registrant submits that it did not have any malicious intent to disadvantage the Complainant at the time of purchasing the disputed domain name; that it had discussed collaborating with the Complainant for the benefit of the Complainant; and that the Complainant raised no objection at that time.

4) Discussion and Findings

4.1 Complainant's Rights

² As per the Adjudicator in ZA2009-0028 at page 3.

- 4.1.1 The terms “rights” and “registered rights” are broadly defined in Regulation 1 to include, *inter alia*, intellectual property rights and commercial rights.
- 4.1.2 Complainant is the proprietor of the registered trade mark SUNBET in South Africa in relation to, *inter alia*, *gambling and casino facilities, betting services including sport’s betting and creating an on-line virtual environment for betting*. Its statutory rights in and to the name SUNBET, which date back to 2012, are not contested by the Registrant in its First Response. The Complainant relies upon extracts from the Register of Trade Marks as evidence of its statutory rights, which the Adjudicator accepts as *prima facie* evidence of the alleged registered trade mark rights.
- 4.1.3 The Complainant has also asserted common law rights arising from its use of the SUNBET trade mark on its online sports betting portal since November 2013. The evidence submitted by the Complainant in support of its assertions is not contested by the Registrant in its First Response and the Adjudicator is satisfied that this evidence shows, *prima facie*, that the Complainant enjoys commercial rights in the SUNBET name and mark in relation to casino and betting services (including such online services).
- 4.1.4 The disputed domain name CASINOSUNBET.CO.ZA wholly incorporates an element identical to the Complainant’s SUNBET trade mark and the additional element in the disputed domain name, namely the word CASINO, is descriptive. The memorable and dominant feature of the disputed domain name remains the word SUNBET. There are many WIPO UDRP decisions confirming that where a domain name wholly incorporates a registered trade mark of the Complainant, it is sufficient to establish confusing similarity despite the addition of other matter to the trade mark.³

³ See WIPO UDRP Case No. D2000-0096, for example.

4.1.5 For all of the above reasons, the Adjudicator finds that the Complainant has rights in respect of a name or mark which is identical or similar to the disputed domain name.

4.2 **Abusive Registration**

4.2.1 In terms of Regulation 1, an “abusive registration” means 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 Complainants’ rights; or
- (b) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainants’ rights.

4.2.2 The Complainant is required to prove, on a balance of probabilities, that the required elements are present,⁴ namely that:

- (a) it has rights in respect of a name or mark which is identical or similar to the domain name; and
- (b) the domain name, in the hands of the Registrant, is an abusive registration as defined.⁵

The Adjudicator has already found that the Complainant has satisfied its burden of proof in respect of the first element. The second element is dealt with hereunder.

4.2.3 In terms of Regulation 4(1), some of the relevant factors which may indicate that the domain name is an abusive registration include:

⁴ Regulation 3(2).

⁵ Regulation 3(1)(a).

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- (a) Circumstances indicating that the registrant registered or otherwise acquired the domain name primarily to –
- (i) sell, rent or otherwise transfer the domain name to the complainant, for valuable consideration in excess of the registrant's reasonable out-of-pocket expenses directly associated with acquiring or using the domain name;
 - (ii) intentionally block 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 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.

Apparent from the Complaint is that the Complainant relies on Regulations 4(1)(a)(ii) – (iv) and 4(1)(b). In its Reply, the Complainant relied on Regulation 4(1)(a)(i) for the first time.

- 4.2.4 The disputed domain name was acquired by the Registrant who, at the time of such acquisition in August 2021, was aware of the Complainant and, at the very least, its use of, and interest in, the SUNBET name and trade mark in relation to online betting services.

According to Mr. Naidoo, pursuant to the discussions between the parties relating to a possible “collaboration” or “partnership”, it was the Registrant’s intention that the disputed domain name be utilised in order to “*maximise the potential of the domain if and/or when*

SUNBET would eventually be permitted to accept online casino traffic”.

The Registrant further contents that it has “*been consistent about the intent to sell the domain name to the Complainant as the Registrant has no intent to utilise the domain name for any purpose...*”.

The inference drawn from the facts and averments before the Adjudicator is that the Registrant acquired the disputed domain name in furtherance of a possible a collaboration with the Complainant, and when nothing came of those discussions the Registrant chose to simply do nothing with the disputed domain name, other than to offer to sell it to the Complainant.

Regulation 4(1)(a)(i):

4.2.5 Evidence from the parties’ respective submissions is that the Registrant is prepared to sell the disputed domain name to the Complainant.

In its First Response, the Registrant introduced the fact that she was prepared to sell the domain name to the Complainant and contends that the Complainant pays a reasonable price (though it is not stated what this would be) “*including the Registrant’s costs of maintaining the domain since acquisition on August 2021*” for same. In Reply thereto, the Complainant contends that the Registrant seeks to do so for an amount in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring the disputed domain name, and Mr. Matai recalls the Registrant requesting an amount of R5 million.

It is clear from this evidence that the Registrant's offer to sell the disputed domain name to the Complainant is for an amount in excess of the Registrant's reasonable out-of-pocket expenses. The fact that the Registrant requests an amount over and above its maintenance costs of the domain name, at the very least, indicates that the Registrant seeks an amount over and above its out-of-pocket expenses. The Complainant's claim that the amount sought by the Registrant is R5 million, in fact, confirms this.

Having regard to the fact that the Registrant was aware of the Complainant and its existing use of the SUNBET name in relation to casino and betting services at the time the disputed domain name was acquired, the indication that it was acquired by the Registrant in furtherance of a possible collaboration with the Complainant, and the fact that the Registrant has confirmed that she has no intention to use the disputed domain name, the Adjudicator finds that the Registrant acquired the domain name primarily to sell or otherwise transfer the domain name to the complainant for an amount in excess of its reasonable out-of-pocket expenses directly associated with acquiring or using the domain name.

Regulation 4(1)(a)(ii):

4.2.6 There are various decisions which make it clear that the nature of "abusive" in the Regulations does not necessarily require a "positive intention" to abuse the Complainant's rights, and such abuse can be the effect, result or consequence of the registration of the disputed domain name.⁶

⁶ See the foreign decisions DRS02464 (Aldershot Car spares v Gordon), DRS00658 (Chivas Brothers Ltd v David William Plenderleith), and the South African decisions ZA2007-0007 (fifa.co.za), for example.

Whilst there is no evidence that the disputed domain name was registered primarily to block the Complainant from registering the domain name, the resulting consequence of the Registrant's acquisition of the disputed domain name is that, even though it is the Complainant who has the rights, the registration of the disputed domain name by the Registrant is preventing the Complainant from exploiting those rights and from being able to register its registered trade mark as a domain name.

The Adjudicator concludes that the acquisition of the disputed domain name by the Registrant effectively blocks the Complainant from registering and using this domain name for itself, as the legitimate holder of the rights in and to the name and trade mark. The fact that the Registrant itself confirms that it has no interest in using the disputed domain name yet is not prepared to transfer same to the Complainant indicates an intention to block the Complainant from exploiting its rights, particularly in circumstances where it trades under the name and in relation to the services indicated within the disputed domain name itself.

Regulation 4(1)(a)(iii):

4.2.7 Numerous previous decisions have confirmed that an unfair disruption of the Complainant's business can be inferred by the conduct of the Registrant in registering a variation of the Complainant's mark with merely a generic or descriptive word added to the mark as in this present matter, and the Complainant relies on one such decision.⁷

⁷ See the decision of ZA2007-0003 (Telkom SA Ltd v Cool Ideas 1290 CC), as relied upon by the Complainant.

The Adjudicator finds that the acquisition of the disputed domain name which contains the identical and dominant SUNBET mark with the generic or descriptive word “CASINO” by the Registrant, and particularly in circumstances where the Registrant was aware of the Complainant, its rights and its commercial activities relating thereto at the time, is abusive.

Regulation 4(1)(a)(iv):

4.2.8 It is clear that if the disputed domain name has a blocking effect on the Complainant and its business, as indicated above, it will likewise prevent the Complainant from exercising its rights.⁸

Regulation 4(1)(b):

4.2.9 There are many decisions (both local and foreign) which have held that the non-use of a domain name is an indication of an abusive registration, that it may also be indicative of a bad faith registration, and that use is not a hard and fast requirement.⁹

In the present circumstances, if the disputed domain name is used by the Registrant, or any other person, it has the potential of disrupting the Complainant’s business. Moreover, and given the confusing similarity between the disputed domain name and the trade mark and business of the Complainant, if used by the Registrant or any other person, such use has the potential to create confusion and amount to trade mark infringement and/or passing off by leading people or businesses to believe that the disputed domain name is registered to, operated or authorised by, or otherwise

⁸ See ZA2017-00294.

⁹ Telstra Corporation Limited v Nuclear Marshmallows (WIPO/D2000-0003); Hexagon v Xspect Solutions Inc (WIPO/D2005-0472); Mondich & American Wine Biscuits Inc v Brown (WIPO/D2000-0004); see also WIPO/D2000-0545; NAF/FA91359, NAF/FA95464 and NAF/FA95498.

connected with the Complainant. Given the incorporation of the identical SUNBET trade mark in respect of which the Complainant has rights plus the generic and descriptive term “CASINO”, this likelihood of confusion can be reasonably inferred.¹⁰

Although the Registrant has indicated that she does not intend to use the disputed domain name, the fact that she continues to retain the disputed domain name indicates that she may choose to use the disputed domain name in the future.

Accordingly, the Adjudicator concludes that in the circumstances the disputed domain name in the hands of the Registrant is an abusive registration.

4.2.10 In terms of Regulation 5, factors which may indicate that the domain name is not an abusive registration includes:

- (a) 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;
 - (ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name; or
 - (iii) made legitimate non-commercial or fair use of the domain name;

¹⁰ See for example the foreign decisions in WIPO/D2000-0777, WIPO/D2000-0878, NAF/FA95033 and NAF/FA95402. See also the South African decision ZA2007-0003 (Telkom SA Limited v. Cool Ideas 1290 CC).

(b) the domain name is used generically or in a descriptive manner and the registrant is making fair use of it;

(c) that the registrant has demonstrated fair use, which use may include web sites operated solely in tribute to or fair criticism of a person or business.

4.2.11 The Registrant has failed to put forward any evidence to indicate that the disputed domain name is/was being used (or that any demonstrable preparations for such use have been made) in connection with a good faith offering of goods or services, or in a manner that may constitute fair use. In fact, the Registrant confirms that it has never used the disputed domain name and it has no intention to use the disputed domain name.

4.2.12 For all the reasons contained herein, the Adjudicator finds that the Registrant has not brought itself within the ambit of the exclusions in Regulation 5.

5) Decision

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

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