DomainDisputes.co.za
SAIIPL Alternate Dispute Resolution

SAIIPL Decision

CASE NUMBER: ZA2007-0005

.ZA ALTERNATE DISPUTE RESOLUTION REGULATIONS
(GG29405)

ADJUDICATOR DECISION

CASE NUMBER:	**ZA2007-0005**
DECISION DATE:	**22 OCTOBER 2007**
DOMAIN NAME	**phonebook.co.za** **whitepages.co.za**
THE DOMAIN NAME REGISTRANT:	**The Internet Corporation**
REGISTRANT'S LEGAL COUNSEL:	**Michael Silber** **Michalsons Attorneys**
FIRST COMPLAINANT: SECOND COMPLAINANT:	**Telkom SA Ltd &** **TDS Directory Operations (Pty) Ltd**
COMPLAINANTS' LEGAL COUNSEL:	**Gerhard du Plessis** **Adams & Adams**
THE 2nd LEVEL DOMAIN NAME ADMINISTRATOR:	**UniForum SA (CO.ZA Administrators)**

1. PROCEDURAL HISTORY

The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on 2 August 2007. On 2 August 2007, the SAIIPL transmitted by email to UniForum SA a request for the registry to suspend the domain names at issue, and UniForum SA confirmed that the domain names had indeed been suspended on that date. The SAIIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIIPL's Supplementary Procedure.

In accordance with the Regulations, the SAIIPL formally notified the Registrant of the commencement of the Dispute on 2 August 2007. In accordance with the Regulations, the due date for the Registrant's Response was 30 August 2007. Upon application by the Complainant, a 7 (seven) day extension was granted by SAIIPL. The Registrant submitted its Response on 11 September 2007, and the SAIIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIIPL's Supplementary Procedure. The SAIIPL forwarded a copy of the Response to the Complainant on 11 September 2007.

In accordance with the Regulations, the due date for the Complainant's Reply was 18 September 2007. Upon application by the Complainant, a 2 (two) day extension was granted by SAIIPL and the Reply was filed on 20 September 2007.

The SAIIPL appointed Prof. Tana Pistorius as the Adjudicator in this matter on 26 September 2007. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIIPL to ensure compliance with the Regulations and Supplementary Procedure.

In accordance with Regulation 25(1), the Dispute and the Response must be prepared in English. The Complainant included in its Dispute an Annexure in French. On 9 October 2007, the SAIIPL requested the Complainant to provide the Adjudicator with an English translation of the Annexure as provided for in regulation 25(2). The Complainant failed to respond to the request. As a result, Annexure F4 of the Dispute has not been considered for the purposes of this Adjudication. The Complainant and the Registrant were informed of this decision on 10 October 2007. The decision was due on 16 October 2007. Upon application by the Adjudicator, an extension was granted until 19 October 2007.

2. FACTUAL BACKGROUND

The First Complainant is incorporated in terms of the Companies Act of 1973 as a public company and the Second Complainant is an incorporated private company. The First Complainant is the proprietor of three trade marks, which relate to this Dispute, namely trade-mark registrations 1996\06591 1996\06592 and 1996\06593 for THE PHONE BOOK

logo in classes 16, 35 and 38 respectively (hereafter referred to as the "trade mark"). The Second Complainant publishes telephone directories for the various regions in South Africa on an annual basis. These directories are entitled THE PHONE BOOK and this title appears on the outside cover and spine of all these directories. On 28 May 2002, the Registrant registered the disputed domain names phonebook.co.za and whitepages.co.za. These registrations have been updated four times namely on 15 June 2003, 17 February 2005, 21 October 2005 and 01 July 2006. The domain name phonebook.co.za does not currently link to a website but the domain name whitepages.co.za links to an active website www.whitepages.co.za.

On 30 March 2007, the Complainants addressed a letter to the Registrant informing the Registrant of the Complainants' trade-mark registrations and common law rights in respect of the marks THE PHONE BOOK and THE WHITE PAGES. The Complainants alleged that these marks were infringed and that the Registrant had competed unlawfully with the Complainants through the use and registration of the domain names the phonebook.co.za and whitepages.co.za. In the letter, the Complainants argued that they have made extensive use of THE PHONE BOOK trade mark for many years in South Africa that these directories are also commonly known as THE WHITE PAGES. As a result, the Complainants argued that they enjoy, in addition to the statutory rights, substantial common law rights in the trade marks THE PHONE BOOK and THE WHITE PAGES. On 11 April 2007, the attorneys acting on behalf of the Registrant replied that it was taking instructions. On 2 August 2007, the Complainants formally lodged a domain name Dispute.

3. PARTIES' CONTENTIONS

3.1. Complainant: Dispute

The First and Second Complainants have made the following contentions, namely that:

i. First Complainant is the proprietor of the trade mark THE PHONE BOOK logo in various classes, including class 38 that relates to telecommunication services.

ii. The First Complainant enjoys common law rights. The Second Complainant, under licence from the First Complainant, has made extensive use of the marks THE PHONE BOOK and THE WHITE PAGES for many years in South Africa and the marks have acquired a substantial reputation and goodwill.

iii. The "THE PHONE BOOK directories" are commonly known as "THE WHITE PAGES" (as opposed to the Yellow Pages directories). The Second Complainant publishes the directories THE PHONE BOOK/THE WHITE PAGES and distributes them to millions of South African consumers every year.

iv. The disputed domain names phonebook.co.za and whitepages.co.za are identical or alternatively confusingly similar to names or marks in which the Complainants have rights, namely the trade marks THE PHONE BOOK and THE WHITE PAGES since the Registrant adopted Complainants' marks, save for the preposition "THE", in both domain names.

v. The Registrant's attorneys have failed and refused to comply with the Complainant's demands.

vi. The disputed domain names, in the hands of the Registrant, are abusive registrations:

a. the Registrant has no rights or legitimate claim in respect of the disputed domain names;
b. the registration of the disputed domain names have the effect that the First and Second Complainant are barred from registering and using the identical domain name in which the First Complainant has significant rights; and
c. the only conclusion to be drawn is that the Registrant's conduct in this regard is intentional, particularly bearing in mind that the Registrant has registered both the disputed domain names.

vii. As far as the domain name phonebook.co.za is concerned:

a. the phonebook.co.za domain name does not resolve to an active website;
b. the Registrant's conduct amounts to an unfair disruption of the business of the Complainants. In this regard, Complainants point out that as a direct result of the Registrant's conduct, the Second Complainant is forced to use the domain name phonebook.yellowpages.co.za, which is not an obvious web address for customers to find the Second Complainant on the Internet. It is submitted that Internet traffic that should reach the Second Complainant, is diverted to the prejudice of the Second Complainant and that the Registrant is preventing the First Complainant from exercising its rights in its THE PHONE BOOK trade mark.

viii. As far as the domain name whitepages.co.za is concerned:

a. this domain name resolves to an active website but at the time when the Complaint was filed, the domain name did not resolved to an active website. The Registrant created the relevant website when it had full knowledge of Complainants' rights in THE WHITE PAGES trade mark;
b. in the circumstances the only conclusion to be drawn is that the Registrant is using the domain name *mala fide* and in conflict with the Complainant's rights in THE WHITE PAGES trade mark;
c. the Registrant's conduct amounts to an unfair disruption of the business of the Complainants; and
d. in the process, the Registrant is preventing the First Complainant from exercising its rights in respect of the THE WHITE PAGES trade mark.

ix. The Registrant has provided incomplete or incorrect contact details in the whois database.

x. The Adjudicator is requested to order the transfer of the domain names to the Complainants.

3.2. Registrant: Response

The Registrant has made the following contentions, namely that:

i. The Alternative Dispute Resolution Regulations and its proceedings are only applicable to domain names registered after the promulgation of the Regulations. The Registrant's registration of the disputed domains occurred prior to the promulgation of the Electronic Communications and Transactions Act in August 2002. The Adjudicator in ZA2007-0004:

   a. failed to indicate that both the ECT Act and the Regulations do not refer to retrospective application and as such, the most favourable implication is that the ECT Act and the Regulations will only apply to domain names registered after the commencement date of the ECT Act, namely August 2002.
   b. The Adjudicator erred in that matter by finding that the Regulations are able to confirm their own retrospective application. If the retrospective application is to be found, it must be in the primary legislation and not in sub-ordinate legislation.

ii. The First Complainant's trade-mark registrations are subject to disclaimers and the First Complainant fails to make mention of the endorsement about its registered trade mark THE PHONE BOOK in its Complaint. The Complainants further ignores the fact that the trade mark THE PHONE BOOK comprises of generic terms "phone" and "book".

iii. The Complainants are unsure whether their statutory and alleged common-law rights relate to the trade marks THE PHONE BOOK and THE WHITE PAGES or to the phrases PHONE BOOK and WHITE PAGES. While the First Complainant is initially cautious to ensure the use of the definite article, at paragraph 12.2.3.6 and in 7.2.4.7 the First Complainant refers to the rights it has in the "PHONE BOOK" and the "WHITE PAGES" marks. The First Complainant seeks to establish trade-mark rights in phrases comprised of

generic terms, the usage of which is not so unique to grant trade-mark registrations therein.

iv. The disputed domain names are not identical or similar to a name or mark in which the First Complainant has rights. The Registrant notes that there is a vague similarity between the domain phonebook.co.za and the Complainant's registered trade mark THE PHONE BOOK in that they are comprised of the same words namely "phone" and "book". The Registrant notes that this vague similarity is not sufficient to justify a finding in terms of regulation 3(1)(a) for the following reasons:

a. the domain name registered by the Registrant specifically excludes the definite article "THE";
b. the Complainant's registered trade marks are specifically endorsed as to provide that the Complainant has no exclusive rights to the words "PHONE" and "BOOK";
c. the term "PHONE BOOK" or "PHONEBOOK" has a generic meaning and is not limited specifically to the directory operated by the Complainant; and
d. the domain name "THEPHONEBOOK.CO.ZA" is identical to the Complainant's trade mark. A third party has registered this domain name.

v. The Complainant has not indicated common law trade-mark rights in respect of the terms PHONEBOOK or PHONE BOOK and WHITE PAGES or WHITEPAGES.

vi. Any common law right that could possibly exist can only be for "THE PHONE BOOK" and "THE WHITE PAGES". Furthermore, such common law marks (if they are found to vest in the Complainant) should be endorsed with a commonsense approach similar to that adopted with regard to the Complainant's registered trade marks, namely that the generic terms are to be combined, together with the definitive article, so as to be distinctive.

vii. The phrase "phone book" refers to the physical telephone directory of the type provided by the Second Complainant on behalf of the First Complainant, as well as to more recent electronic iterations but also to any directory of telephone numbers.

viii. The phrase "white pages" has taken on a generic meaning as both a set of blank pages (such as in a blog or online or offline scrapbook) as well as a directory.

ix. The Registrant also notes that the use of the phrase "phone book" at the Internet web site controlled by the Complainant does not establish common usage outside the Complainant's own usage.

x. The domain name in the hands of the Registrant is not an abusive registration:

a. Complainants are not barred from using the domain in which they allege that they hold rights. A third party has in fact registered the domain that equates to such alleged mark, namely "thephonebook.co.za";
b. the conclusion that the Complainants seek to draw from the fact that the Registrant has registered two domains is patently incorrect as the Registrant provides Internet services and has registered numerous domains over the past years to support both its clients as well as its own initiatives;
c. Preparatory steps were taken in May 2007 for the launch of an online contact manager, calendar and e-mail service which constitutes demonstrable preparations to use the phonebook.co.za domain name; and
d. the domain whitepages.co.za has been in use since 1 October 2003 to host a scrap booking club.

xi. Complainants are using the Regulations in bad faith as the Registrant's domain registrations consist of generic terms, used or about to be used in

connection with the good-faith offering of goods or services and/or has made legitimate non-commercial or fair use of the domain names.

xii. The Dispute should be denied.

3.3. Complainant: Reply

In its Reply, the Complainants alleged the following:

i. The Registrant's contention that the disputed domain names are not subject to the Regulations is rejected with reference to decision ZA2007-0004 and foreign decisions (Annexure F1-F4).

ii. At the time when the disputed domain names phonebook.co.za and whitepages.co.za were registered, the Registrant had agreed to UniForum SA's terms and conditions (Annexure G1). These terms and conditions (dated 2 August 2006) provide that UniForum SA may:

a. withdraw the domain name delegation or transfer the domain name if it receives a decision by a Dispute Resolution Provider in accordance with a procedure introduced by law, or adopted and published by the Registrar; and
b. amend its terms and conditions.

iii. UniForm SA amended the terms and conditions in November 2006.

iv. The effect of the trade mark disclaimers is only to limit the Complainants' rights in respect of the word PHONE on its own and the word BOOK on its own but not in respect of the combination of the two words PHONEBOOK or PHONE BOOK.

v. The addition or deletion of a non-distinctive preposition such as "THE" has virtually no consequence from a trade-mark perspective.

vi. The Registrant's evidence, namely Annexure LT28, points to the fact that between 30 April 2006 and 22 May 2007, www.whitepages.co.za was inoperative and it was only erected on 22 May 2007 after it became aware of Complainant's demands.

4. DISCUSSION AND FINDINGS

4.1. Procedural objection

The Registrant has questioned the legal authority of this Panel and the ruling on a similar plea in the decision ZA2007-004. Registrant's procedural objection is rejected on several grounds. First, the Registrant agreed to be bound by the terms and conditions of UniForum SA when the Registrant registered his domain names. The UniForum SA terms and conditions, which were in effect when the disputed domain names were registered in May 2002, are substantially similar to the current version. In the absence of any allegation to the contrary and on the evidence before her, the Adjudicator concludes that a contract was formed between the Registrant and UniForum SA and that this contract is valid and in force.

Paragraph 14 of the UniForum SA terms and conditions provide that UniForum may alter, delete or supplement the agreement or parts of the agreement by publishing such amendments on UniForum SA's Administration Site from time to time. The Registrant may, within thirty (30) days of the publication of the amendments, elect not to be bound by any such amendments by notifying UniForum SA. If no such notice is received within the prescribed period, the Registrant is deemed to have agreed to the amendments as published.

UniForum SA Management issued a CO.ZA Advisory Bulletin "Alternate Dispute Resolution Mechanism for CO.ZA domain names" (dater 28 November 2006 available at http://www.coza.net.za/ect/ect-act-advisory.shtml) as follows:

> …Pursuant to chapter 10 of the ECT Act the Minister of Communications, in consultation with the .ZA Domain Name Authority (ZADNA) and UniForum SA, has promulgated regulations governing the implementation and administration of an Alternate Dispute Resolution (ADR) Mechanism for .ZA [GG 29405]. These regulations are applicable to all current and future CO.ZA domain name registrations with immediate effect.

The Regulations will affect two broad groups, namely:

> "Current domain name holders (currently only CO.ZA domain names) who will need to submit to the compulsory dispute resolution proceedings in the event that someone challenges their rights to a particular domain name…"

In 2002 the Registrant agreed to be bound by any amendments to the terms and conditions that are published in the prescribed manner. The Publication requirement was met by UniForum SA as is evidenced by the advisory bulletin referred to above and the publication of the adoption of the ADR Mechanism in major newspapers (see Annexure G3). The Registrant did not dispute these facts. In the absence of any allegation to the contrary and on the evidence before her, the Adjudicator concludes that UniForum SA had amended its terms and conditions to include the provisions of the ADR Mechanism for .ZA. The Registrant did not notify UniForum SA of its intentions not to be bound by the implementation and administration of an Alternate Dispute Resolution (ADR) Mechanism for .ZA.

The second ground on which the Registrant's plea is rejected may be found in paragraph 7.4 of UniForum SA's terms and conditions (see Annexure G2 of Complainant's Reply).
In this paragraph, express provision is made for the recognition and enforceability of any Dispute Resolution Procedure introduced by law, or adopted and published by UniForum SA. Paragraph 7.4 of the current UniForum SA's terms and conditions provides as follows:

> "…..Dispute resolution provider appointed in terms of an official domain name Dispute Resolution Procedure introduced by law, or adopted and published by UniForum"

Prospective Registrants were fully informed of the legal implications of the ECT Bill. The Registrant cannot claim that it was at the date of the disputed domain name registrations not aware that these domain names were to become subject to a South African dispute resolution procedure. (see UniForum SA's commentary of the ECT Bill dated 8 May 2002 and further documents at http://www.coza.net.za/ect/advisory.shtml; http://www.coza.net.za/UniForumECTBillSubmission.pdf).

Thirdly, this interpretation is in line with foreign decisions (see Regulation 13(1)). Registrants, bound by almost identical contractual provisions, unsuccessfully tried to challenge the application of the ICANN Uniform Domain Name Dispute Resolution Policy and Supplemental Rules adopted after their domain names were registered (see D99-0001; D2000-0213; D00-0001). The Registrant thus has no legal recourse against the retrospective application of the ECT Act and the Regulations. The Registrant is contractually bound to submit to the proceedings and the Registrant's performance under the contract confirms this fact.

Accordingly, the Adjudicator dismisses this procedural objection.

4.2. Substantive issues

The Complainants' case is that they have rights in respect of the trade marks THE PHONE BOOK and THE WHITE PAGES. The trade marks are identical or similar to the domain names in dispute, i.e. phonebook.co.za and whitepages.co.za. In the hands of the Registrant, the domain names are abusive registrations (see Regulation 3(1)). The Complainants are required to prove, on a balance of probabilities, that these aforementioned elements are present (see Regulations 3(1)(a) and 3(2)). The Adjudicator must decide the Dispute on the documents placed before her (see Regulation 27).

It follows that the cornerstone of the Complainants' case is proof on a balance of probabilities that they had rights in the trade marks THE PHONE BOOK and THE WHITE PAGES at the time of the registration of the domain names, which were identical or similar to the domain names.

4.2.1. First Complainant's Rights: Registered trade mark THE PHONE BOOK

First Complainant has registered rights in respect of the trade mark THE PHONE BOOK logo that date back to 1996. The trade mark was registered prior to the domain name registrations and is *prima facie* valid and enforceable. This clearly provides the First Complainant with rights in terms of section 34 of the Trade Marks Act 194 of 1993. Infringement would take place if a person used a mark, which is identical or confusingly similar to the trade mark THE PHONE BOOK in respect of the goods or services for which the trade mark is registered, such as printed matter or telecommunication services.

It is important to be clear about "what" is being compared with "what" in making a determination on whether a particular domain name is identical or similar to a trade mark. The Registrant relied heavily on the submission that the domain name differs significantly from the trade mark because the preposition, which appears in the Complainant's mark, was not adopted in the Registrant's domain name. This position cannot be supported as was made clear in ZA2007-0003 (Telkom SA Ltd v Cool Ideas CC; see the discussion of the similarity of the <nike> domain names at page 13). Furthermore and of particular importance is D2004-0649 (Columbia Insurance Company v Pampered Gourmet) where it was held that the use of a trade mark as a domain name without the word "the" does not result in a significant difference between the domain name and the trade mark. The Registrant also argues that its domain name is not abusive, the exact trade mark of the First Complainant, namely thephonebook.co.za has been registered by a third party. This argument is rejected as the Dispute relates to the Registrant's domain name. The fact that other parties could or could not demonstrate a legitimate right or interest in the domain name does nothing to demonstrate that Respondent has such a right or interest (see D2000-0847 (Madonna Ciccone v Dan Parisi).

Two features of the First Complainant's trade mark are important in deciding whether the First Complainant has rights in a mark, which is identical or confusingly similar to the disputed domain name. First, the fact that the trade mark consists of a logo or a device, and secondly, the fact that it contains disclaimed features.

The legal significance of a device mark is highlighted in a Nominet decision, DRS NO. 01399 (Loans.Co.Uk Ltd v Abbeyway Contracts Limited) at par 7.8:

> "A registered trade mark for a word and device mark rather than the word alone may only be of limited value in a domain name dispute, which necessarily relates only to words in which Rights might have been acquired."

In D2001-0964 (Cream Holdings Limited v National Internet Source Inc) a "word and device" mark comprising of a device resembling a three-bladed ship's propeller above the stylized word "cream" was registered in the United Kingdom in various classes. The Panel in that case held that the test for confusing similarity under the Policy, unlike trade mark infringement or unfair competition cases, is confined to a consideration of the disputed domain name and the trade mark as registered (see also D2005-0828 (Packet Clearing House Inc v Howard Lee) and D2001-0565 (The Curvon Corporation v Lauren Kallareou, The Tack Box)).

The position is complicated further where the trade mark in question consists of descriptive words combined with a logo. In D2003-0645 (Meat and Livestock Commission v David Pearce aka OTC / The Recipe for BSE) the Complainant was the proprietor of rights in a logo comprising the words BRITISH MEAT in white capital letters over red and blue bands. Although the Panel considered the phrase BRITISH MEAT to be obviously descriptive, the Panel considered the whole combination of features comprising the logo as distinctive. The Panel held:

> "…the Complainant's rights exist only in the whole combinations, which constitute its marks. The Panel is not satisfied by the evidence that the term BRITISH MEAT has itself become distinctive of the Complainant. As Jacob J. pointed in the *Treat* case, *British Sugar v Robinson* [1996] RPC 281, even extensive use of a common

> English word or phrase does not, of itself, show that the word or phrase has acquired a secondary meaning distinctive of the user, in the absence of evidence that this has in fact led to its being regarded as a trademark by the relevant public."

In D2001-0964 (Cream Holding (supra) it was held that the most prominent feature of the trademark was the logo and not the word CREAM as it is a commonly descriptive word. Despite the presence of that word, in stylized form, as part of the trademark, the Panel held that the disputed domain name, cream.com, is not confusingly similar to the trademark. Although each case turns on its particular facts, a number of decisions under the Policy where the SLD of the disputed domain name is a descriptive term which forms part of the Complainant's logo or device mark, have come to similar conclusions (see D2000-1816 (maha.com) and D2001-0047 (brisbanecity.com)).

The Complainant's trade mark comprises of descriptive words ("phone", "book" and "foonboek") written in a stylised form and the words are combined with a logo. The registration is endorsed with a disclaimer. The disclaimer reads:

> "Registration of this mark shall give no right to the exclusive use of the word PHONE, or of the word FOONBOEK, or of the word BOOK, each separately and apart from the mark..."

The Complainants have argued in their Reply that the effect of the disclaimer is merely to limit the Complainants' the rights in respect of the word **PHONE on its own or the word BOOK on its own but not in respect of the combination of the two words PHONEBOOK or PHONE BOOK** (Adjudicator's emphasis). It has been noted that where the disclaimer is qualified by the words "separately and apart from the mark" the proprietor has no monopoly in the features where they are not integral to the mark (Webster & Page *South African Law of Trade Marks* (14th ed.) par. 9.18). The correct view is thus that the phrase "separately and apart from the mark" does not mean that the proprietor's rights are limited only where the disclaimed elements are separate from **each other** and the mark, but that the proprietor enjoys no rights in the disclaimed features where they are separate and apart **form the mark** (Adjudicator's emphasis). In

the case at hand it would thus not matter if only "phone" or "book" or "phone book" are separate and apart from the mark: the crux of the matter is that each of the disclaimed features enjoy no registered protection separate and apart from the mark. It follows that the use of a disclaimed feature or disclaimed features of a trade mark cannot amount to trade mark infringement. It should be noted, however, that this does not affect the trade mark proprietor's rights at common law (Webster & Page par 9.19; par 12.8.9).

The First Complainant has registered rights in respect of the trade mark. The First Complainant must show on a balance of probabilities that the trade mark is identical or similar to the domain name in dispute, i.e. phonebook.co.za. The Adjudicator is of the opinion that the First Complainant's trade mark rights, for purposes of this decision, should be restricted to the trade mark as registered. The First Complainants' trade mark is a composite mark comprising of a logo and stylised words. The logo is a rectangular black box with rounded corners and short black lines in the right-hand corner. The phrase "the PHONE book" has been written in a stylised form. At the bottom of the rectangular box, the word "die foonboek" appears in small font. The trade mark rights are of limited scope for the purposes of a domain-name dispute, as the words are stylised non-distinctive disclaimed features of the composite mark. The Adjudicator finds, on a balance of probabilities, that the trade mark THE PHONE BOOK logo is neither identical nor similar to the disputed domain name phonebook.co.za.

4.2.2. Complainants' Rights: common law trade marks

The First Complainant asserts common-law rights in respect of the marks THE WHITE PAGES and THE PHONE BOOK. The First Complainant seeks to substantiate holding rights in the marks by relying on Second Complainant's use of the marks for "many years" in South Africa. First Complainant's contention is that, through having acquired a substantial reputation and goodwill because of use, the names THE PHONE BOOK and THE WHITE PAGES are part of the goodwill of its business. Such goodwill, or more particularly reputation, could be damaged by means of unlawful competition, or specifically passing off, by another party wrongly representing that it is, or is associated with, the Complainant. It was pointed out in ZA2007-0003 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 (see ZA2007-0003 at page 9). The First Complainant therefore claims to have justifiable rights under the common law in respect of its name or mark THE WHITE PAGES and THE PHONE BOOK i.e. rights that can be enforced against others who infringe such rights (see ZA2007-0003 at page 9; Webster and Page, op cit. paragraph 15.7).

In ZA2007-0001 (Mr. Plastic Mining and Promotional Goods v Mr Plastic CC) the Adjudicator held (at page 11) that a claim of passing-off by the Registrant, if sustained, would render the domain name in dispute and its use by the Registrant an abusive registration. For the First Complainant to succeed on this ground it must establish that THE WHITE PAGES and THE PHONE BOOK are distinctive of it and that trade or the public necessarily connects its trading activities to these marks (See ZA2007-0001 at 12; Webster & Page, op cit paragraphs 3.4.3 and 15.10). The Second Complainant uses the marks under the supervision, or control and subject to the dictates of the First Complainant. Use of the mark has inured to the benefit of the First Complainant (see Webster & Page 11.1).

In ZA2007-0001 (at page 14) it was noted that it is trite that the more descriptive a name or mark is the less it is inherently adapted to distinguish the goods or services of a particular trader from those of another (see also *Reddaway v Banham* (1886) RPC 218 of 224). The Registrant has provided ample evidence of the generic nature of these two marks. Complainants have argued that the mark THE WHITE PAGES is used to distinguish the published telephone directories from the First Complainant's business directories, namely the yellow pages (see Annexure D1). The search term "the phone book" rendered over a million websites displaying this term (1 330 000 results were found - see Annexure D1). A name or mark, which is inherently lacking in distinctiveness, can acquire distinctiveness through extensive use. Mere use and a reputation does not equate with distinctiveness (see *Berkelder Bpk v Shoprite Checkers (Pty) Ltd* 2006 (4) SA 275 (SCA)). It must be shown that the consequence of the use and reputation has brought about a situation where the name or mark has acquired a "secondary meaning" which in fact denotes one trader, and no other

To succeed in showing that its inherently descriptive names have acquired secondary meaning the First Complainant must establish that it had acquired trade-mark rights at common law of the marks THE WHITE PAGES and THE PHONE BOOK prior to the date of the registration of the disputed domain names in 2002. Relevant evidence of such "secondary meaning" may include evidence related to length and amount of sales under the mark. The nature and extent of advertising, consumer surveys and media recognition is also relevant (see D2000-0575 Uitgeverij Crux v W Frederic Isler Skattedirektoratet v Eivind Nag); D2000-1314 (Amsec Enterprises, LC v Sharon McCall); D2001-0083, (Australian Trade Commission v Matthew Reader); D2004-0322 (Transfer Imperial College v. Christophe Dessimoz)). Evidence placed before the Adjudicator that the First Complainant had acquired common law rights through use of the phrase THE PHONE BOOK is the distribution figures of directories for 2001. The sales figures that post-date the domain name registration are of little assistance. Evidence related to the establishment of common law rights in THE WHITE PAGES by the Second Complainant is Annexure D1, referred to above, which evidences the use of the phrase as a descriptive term.

Weighing up all relevant considerations the Adjudicator holds that the Complainants have failed to show that the marks have acquired a secondary meaning or that the marks are distinctive of First Complainant's businesses and necessarily denotes its business to members of the trade and public. It follows that First Complainant has not discharged the onus of showing on a balance of probabilities that it has common-law rights in the marks THE PHONE BOOK and THE WHITE PAGES.

The Adjudicator holds that the trade mark THE PHONE BOOK logo is neither identical nor similar to the disputed domain name phonebook.co.za. The First Complainant failed to prove any common law rights in the marks THE WHITE PAGES and THE PHONE BOOK. The First Complainant has failed to prove the elements required by Regulations 3(1)(a) and therefore the Dispute in respect of phonebook.co.za and whitepages.co.za must fail.

4.2.3. Reverse Domain Name Hijacking

The Registrant requested a finding of reverse domain name hijacking. Regulation 1 defines reverse domain name hijacking as "using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name". Foreign decisions have held that the Registrant must show that the Complainants knew of the Registrant's legitimate interests in the disputed domain name or the clear lack of bad faith registration and use, and nevertheless brought the Complaint in bad faith (see D2000-1224 (Sydney Opera House Trust v Trilynx Pty Ltd); D2000-0993 (Smart Design LLC v Hughes); eResolution Case AF-0170a--0170c (Loblaws Inc v Presidentchoice.inc / Presidentchoice.com) (eResolution, June 7, 2000).

In D2000-1151 (Goldline International, Inc. v. Gold Line) it was held:

> "Complainant's actions in this case constitute bad faith. Prior to filing its Complaint, Complainant had to know that Complainant's mark was limited to a narrow field, and that Respondent's registration and use of the domain name could not, under any fair interpretation of the facts, constitute bad faith. Not only would a reasonable investigation have revealed these weaknesses in any potential ICANN complaint...Complainant's decision to file its Complaint in the face of those facts was in bad faith. Accordingly, the Panel finds that Complainant has engaged in Reverse Domain Name Hijacking."

Bad faith encompasses both malicious intent and recklessness or knowing disregard of the likelihood that the Registrant possessed legitimate interests (see D2000-0993 (Smart Design (supra). In AF-0170a–0170c (Loblaws (supra)) it was held:

> "…in a case where the trademark, although a well-known supermarket brand, is a common English phrase used as a mark by other businesses, the failure to conduct a cursory investigation seems especially unreasonable"

4.2.3.1. Legitimate interest

Legitimate interest in the use of a domain name has two requirements. The first is that the Registrant must use a generic word to describe his product or business. The second

is that the generic use of the word must be without the intent to take advantage of a Complainant's rights in that word. (See D2000-0016 (Allocation Network GmbH v Steve Gregory); D2000-0270 (Document Technologies Inc v International Electronic Communications Inc); D2000-1005 (Asphalt Research Technology, Inc v National Press & Publishing Inc); D2002-0744 (Gorstew Limited v Worldwidewebsales.com); D 2006-0006 (Champagne Lanson v Development Services); D2001-0964 (Cream Holdings Limited v National Internet Source, Inc (supra); NAF 96364 (Energy Source Inc v Your Energy Source); NAF 97682 (Ultrafem Inc v Warren R Royal).)

The Registrant has provided ample evidence of the generic nature of these two marks. The Complainants alleged that the disputed domain names were registered primarily to block intentionally the registration of domain names in which the Complainants have rights. The Complainants also alleged that the Registrant's conduct amounts to an unfair disruption of their business and the disputed domain names prevent the Complainants from exercising their rights. Blocking registrations have two features of which the first is that it must act against the mark in which the Complainant has rights (see ZA2007-0003 at page 13). The Complainants have failed to prove their rights under regulation 3(1)(a) so the allegation that the registration was made to block or to prevent the Complainants from excising their rights or to take advantage of such rights must be rejected. The Complainants also failed to put evidence forward of the disruption of business (see ZA2007-0003 at page 15).

The Adjudicator concludes, on the balance of probabilities, that the Registrant has rights and a legitimate interest in the disputed domain names by virtue of having been the first to register them.

4.2.3.2. Lack of bad faith registration and use

The Registrant is required to prove lack of bad faith in the registration and use of the domain names. The disputed domain name whitepages.co.za is used in connection with a bona fide offering of goods or services. The mere fact that the whitepages.co.za website was inactive for a relatively short period does not detract from this fact. Based on the evidence before her, the Adjudicator rejects the Complainants' allegation that the

domain name is used in a manner that takes unfair advantage of, or is detrimental to the Complainant's rights.

The Registrant has not provided any evidence of its use of, or demonstrable preparations to use, the disputed domain name phonebook.co.za in connection with a bona fide offering of goods or services before being aware of the Complainant's cause of complaint. First, the phrase "demonstrable preparations to use" requires "real preparations that are calculated to result in deployment of an operational website address addressed by that name" (see D2001-0932 (Sydney Markets Ltd v Shell Information Systems); NAF 0095856 (Treeforms Inc v Cayne Industrial Sales Corp). Secondly, the steps in preparation to use the domain name must be taken before becoming aware of the Complainants' cause of Complaint. The Registrant's preparatory steps were taken after the Registrant became aware of the Complainants' cause of complaint. On a balance of probabilities, the Registrant took the steps in May 2007 in an attempt to refute the allegation of non-use after receiving the Complainants' letter of demand. As a result, the Adjudicator finds that the Registrant has failed to prove demonstrable preparations to use the domain name in connection with the bona fide offering of goods and services.

Passive use may amount to use in bad faith. Many foreign decisions have held that the "use" requirement includes both positive action and inaction (D2000-0059 (Barney's Inc v BNY Bulletin Board); D2000-0400 (CBS Broadcasting Inc v Dennis Toeppen); D2000-0487 (Video Networks Limited v Larry Joe King); D2000--194 (Recordati SPA v Domain Name Clearing Company); and D2000-0468 (Revlon Consumer Products Corporation v Yoram Yosef aka Joe Goldman)). It has been held that failure to make bona fide use of a domain name during a two-year period following registration constitutes bad faith (see D2005-0472 (Hexagon v Xspect Solutions Inc); D2000-0004 (Mondich & American Wine Biscuits Inc v Brown)).

It should be noted that inaction alone might be insufficient to establish bad faith. The leading case on passive use is D2000-0003 (Telstra Corp Ltd v Nuclear Marshmallows). The Adjudicator held (at par 7.11):

> "The question that then arises is what circumstances of inaction (passive holding) other than those identified in paragraphs 4(b)(i), (ii) and (iii) can constitute a domain name being used in bad faith? This question cannot be answered in the abstract; the question can only be answered in respect of the particular facts of a specific case. That is to say, in considering whether the passive holding of a domain name, following a bad faith registration of it, satisfies the requirements of paragraph 4(a)(iii), the Administrative Panel must give close attention to all the circumstances of the Respondent's behaviour. A remedy can be obtained under the Uniform Policy only if those circumstances show that the Respondent's passive holding amounts to acting in bad faith."

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 the Complainant has rights in a well-known trade mark, no response to the Complaint, concealment of identity and the impossibility of conceiving a good faith use of the domain name (see D2000-0003 (supra); D2000-0574 (Jupiters Limited v Aaron Hall); D2002-0131 (Ladbroke Group Plc v Sonoma International LDC).

The Adjudicator must examine all the surrounding circumstances of this case to determine whether there is a lack of bad faith registration and use. The Complainants have noted that incorrect information appears on the whois database for both domain names. The Registrant did not address this allegation. Although the incorrect information in the whois database does not amount to a concealment of identity, this factor may indicate that a domain name is an abusive registration (see ZA2007-0003).

The domain name phonebook.co.za was registered more than five years ago. The Registrant has failed to explain why it did not make good faith use of this domain name, as it is an apt descriptive term for some of the core services the Registrant offers. The Registrant took the first and only preparatory steps to use the domain name after receiving the Complainants' letter of demand. The Registrant also failed to explain the provision of incomplete whois details. While inconclusive, these failures lead to the inference of a bad faith registration.

The Adjudicator holds, on a balance of probabilities, that the Registrant cannot substantiate a clear lack of bad faith registration and use of the domain name phonebook.co.za. The domain name whitepages.co.za is used in connection with a bona fide offering of goods and services. The Adjudicator is of the opinion, on the balance of probabilities that the mere provision of incorrect information in the whois database does not detract from the lack of bad faith registration and use of the domain name whitepages.co.za.

4.2.3.3. Conclusions on reverse domain name hijacking

The Complainants must have known of the inherent weakness of the First Complainant's rights in respect of the words "phone book" separately and apart from THE PHONE BOOK logo and at common law. In D2006-0001 (Deutsche Post (supra)), it was held that only because the Complainant may have misunderstood the scope of its rights is not sufficient ground to find Reverse Domain Name Hijacking. Furthermore, the Registrant has failed to prove bona fide use and registration of the domain name phonebook.co.za. In Complainant's view there may have existed reasonable scope for suspicion, so that it would be unduly harsh to characterize this Complaint as Reverse Domain Name Hijacking.

The Complainants have not placed sufficient evidence before the Adjudicator of use of the mark THE WHITE PAGES. The Adjudicator holds that, when the Complainants filed this Complaint, the Complainants were and had long been well aware that:

- it could not establish common law trade mark rights in the mark THE WHITE PAGES, prior to the registration of the disputed domain names; and
- the Registrant has legitimate interest in the disputed whitepages.co.za domain name and there is a clear lack of bad faith registration and use.

The Complainants thus had no basis on which to assert that the Registrant has no rights to or legitimate interests in the disputed domain name whitepages.co.za. It therefore had no proper objection to the disputed domain name. Since the Complainants were being professionally advised throughout, the conclusion is inescapable that the

Complainants were aware of this. The Adjudicator holds that the Complaint was brought in bad faith primarily to deprive a registered domain-name holder of its domain name. Accordingly, pursuant to Regulation 9(c), the Adjudicator holds that the Complaint constitutes an abuse of the administrative proceeding.

5. ADJUDICATOR'S DECISION

5.1. For all the foregoing reasons, in accordance with Regulation 9, the Dispute regarding the domain name phonebook.co.za is refused.

5.2. For all the foregoing reasons, in accordance with Regulation 9, the Dispute regarding whitepages.co.za is refused as the Dispute constitutes reverse domain name hijacking.

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