

ADJUDICATOR DECISION

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| CASE NUMBER: | ZA2007-0009 |
| DECISION DATE: | 12 December 2007 |
| DOMAIN NAME | oxycell.co.za |
| THE DOMAIN NAME REGISTRANT: | Oxygen For Life (Pty)Ltd |
| REGISTRANT'S LEGAL COUNSEL: | Jan S de Villiers |
| THE COMPLAINANT: | Holistic Remedies(Pty)Ltd Amka Pharmaceuticals (Pty)Ltd |
| COMPLAINANT'S LEGAL COUNSEL: | Adams & Adams |
| THE 2 nd 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 "SAIPL") on **4 October 2007**. On **4 October 2007** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue, and on **4 October 2007** UniForum SA 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.

In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **4 October 2007**. In accordance with the Regulations the due date for the Registrant's Response was **2 November 2007**. The Registrant

submitted its Response on **1 November 2007**, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL's Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on **1 November 2007**.

In accordance with the Regulations the due date for the Complainant's Reply was **9 November 2007**. The Complainant submitted its Reply on **9 November 2007**.

The SAIPL appointed **Mr. Mike du Toit** as the Adjudicator in this matter on **12 November 2007**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

2. Factual Background

- 2.1.** The Complainants are Holistic Remedies (Pty) Ltd (HR) and Amka Pharmaceuticals (Pty) Ltd (Amka).
- 2.2.** The Registrant is Oxygen For Life (Pty) Ltd, the Registrant of the disputed Domain Name www.oxycell.co.za.
- 2.3.** HR, the First Complainant, is the proprietor in South Africa of trade mark application No 2005/25472 OXYCELL in class 5 in respect of; "pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters; materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides". The application date of the application is 28 November 2005.
- 2.4.** Amka is a licensee and permitted user of the OXYCELL trade mark of HR.
- 2.5.** Oxyboost (Pty) Ltd, an associated company of Amka, registered the domain name oxycell.co.za in March 2007. This domain name currently

appears on Oxycell product packaging and the stated intention was that the domain name would be used by Amka to provide consumer information regarding the product.

- 2.6. The intention was that www.oxycell.co.za website would be operational in August 2007.
- 2.7. On 29 August 2007, the Registrant registered the domain name oxycell.co.za and directed the domain name to a website found at <http://www.oxycell.co.za>, a website of the Registrant's own cell food product, which is sold in direct competition with the Complainants' OXYCELL product.
- 2.8. The Complainants' cell food product packaging indicates the product's website to be www.cellfood.co.za however, internet traffic is directed to the website found at www.oxygenforlife.co.za. This is the website to which OXYCELL consumers, seeking product information on the www.oxycell.co.za website are directed to. On 20 December 2007, the Complainants' attorneys directed a letter of demand to the Registrant in terms of which the transfer of the domain name is demanded by close of business on 24 December 2007. This demand was rejected.

3. Parties' Contentions

3.1. Complainant

3.1.1. The dispute is based on the following grounds:

- 3.1.1.1. The domain name is identical or similar to a name or mark in which the Complainants have rights (Regulation 3(1)(a));

3.1.1.2. The domain name in the hands of the Registrant is an abusive registration (Regulations 3(1)(a));

3.1.2. The factual basis on which the complaint relies is the following:

3.1.2.1. On 28 November 2005, HR filed trade mark application No 2005/25472 OXYCELL in class 5, which trade mark is currently pending;

3.1.2.2. Amka, licensee of HR has made extensive use of the mark OXYCELL in South Africa in that:

- (i) the Complainants decided to launch a new oxygen supplement product in October and November 2005, as a result of which the mark OXYCELL was adopted and the abovementioned trade mark application was lodged;
- (ii) in 2006, the complainants found a supplier of a suitably high quality product in Australia and negotiated for the supply of the product to South African from the Australian company, which acted as a supplier for the product to be sold under HR's mark OXYCELL;
- (iii) in November 2006, the complainants briefed an artwork and advertising agency, Equator, to develop packaging for the OXYCELL product;
- (iv) from the time that Equator was briefed to develop the packaging, the complainants and Equator worked on the artwork for labels, backing cards, inner cartons, etc. They also

worked on the development of suitable packaging, including a bottle, cap, inner carton and label. The packaging is shown in annexure **A2** of the complaint;

- (v) in December 2006, the first order was placed on the Australian supplier for the oxygen supplement to be packaged under HR's mark OXYCELL and the first batch of the product was received in March 2007;
- (vi) in March 2007, the complainants appointed an advertising agency call The Brand Crew to develop wobblers, shelf talkers, customer information leaflets and consumer information leaflets. Examples of the wobblers, shelf talkers and the information leaflets are attached as annexure **A3** to the complaint;
- (vii) in February 2007, Amka entered into a joint venture with Glomail for sale of the OXYCELL product through Glomail's retail outlets throughout South Africa, numbering 80 outlets, although this does not prevent Amka from selling the product through other outlets;
- (viii) in association with Glomail, Amka developed a television advertising campaign for use upon the launch of the OXYCELL product in South Africa. The advertisement is attached (in DVD form) as annexure **A4** to the complaint;

- (ix) the domain name oxycell.co.za was registered in the name of Oxyboost (Pty) Ltd, an associated company of Amka for use by Amka. This domain name appears on Amka's product packaging. The stated intention was to use the domain name to provide consumer information regarding the product;
- (x) the OXYCELL product was launched into the South African market on 13 July 2007, at which time, the product was supplied to various Glomail outlets. By the end of July 2007, the product had already been supplied to more than 400 other retail outlets throughout South Africa;
- (xi) on 1 August 2007, Amka and Glomail commenced with a television advertising campaign using a 30 second advertisement. The Complainants provided a flighting schedule illustrating the times and programs during which the advertisement appeared;
- (xii) from the date of launch, i.e. 13 July 2007 until the end of August 2007, sales of the OXYCELL product by Amka exceeded 6,000 units with a recommended retail selling price of over R780,000.00;
- (xiii) advertising was focused primarily on the television advertisement and printed media advertising was limited. The Complainants allege that on 29 August 2007, the date on which the Registrant had registered the

oxycell.co.za domain name, the product was already well established in South Africa as a result of sales, supported by substantial nationwide promotion and was available in over 600 retail outlets. The Complainants claim significant common law rights in the market at that date. In September 2007, alerted by a consumer, Amka realised that the website www.oxycell.co.za, referred to on the OXYCELL product, did not provide information about the OXYCELL product, instead, was directed to a promotion for a competing product sold by the Registrant under the mark CELLFOOD. It then emerged that the oxycell.co.za domain name had lapsed due to the non-payment of fees.

- (xiv) the Complainants' case can be summarised with reference to paragraph 11.1.1.14. of its complaint:

"the Complainants learnt that, after the OXYCELL product had been launched and had been on the market for a month and after there had been substantial nationwide advertising and publicity for the product, the Registrant had registered the domain name oxycell.co.za on 29 August 2007 and had directed it to a website promoting the Registrant's CellFood product, which sells in direct competition with the OXYCELL product".

- (xv) The Complainants allege that the domain name www.oxycell.co.za is identical to the reference

to the domain name on the packaging on the OXYCELL product distributed in South Africa since July 2007. It is confusingly similar to the mark OXYCELL in respect of which there were, at the date of registration, and now, substantial common law rights vesting in the First Complainant as the proprietor of the relevant trade mark application, resulting from the substantial advertising and sales. The Complainants allege that the domain name has the effect that the Complainants are barred from registering and using the identical domain name in which the First Complainant has significant rights.

3.2. The Registrant's conduct in registering the domain name is allegedly intended to unfairly disrupt the business of the Complainants by misleading purchasers and potential purchasers of the OXYCELL product, particularly those approaching the domain name identified on the OXYCELL product, to a website on which the Registrant's own product is promoted.

3.2.1. The primary intention of the Registrant is therefore:

- 3.2.1.1. to unfairly disrupt the business of the Complainants;
- 3.2.1.2. to prevent the Complainants from exercising their rights; and
- 3.2.1.3. to intentionally block the registration of the domain name including HR's mark OXYCELL in which HR has prior rights.

3.3. Registrant

- 3.3.1.** In summary, the Registrant states that for the Complainants to be successful they must adduce such evidence that would be necessary for them to be successful in a passing-off action. The Registrant claims that a lower threshold would be contrary to the established legal principles and to the rulings of this tribunal and of other tribunals.
- 3.3.2.** The Registrant submits that the Complainants have not discharged this onus and that the complaint consists of bold allegations without any documentary proof of use and evidence from external sources.
- 3.3.3.** The Registrant deals with the complainants' reference to the trade mark application No 2005/25472 OXYCELL in class 5 with reference to the original TM1 form which illustrates the application as OXYCELL FOOD, amended to OXYCELL and incidental correspondence from the Registrar of Trade Marks relating to the application.
- 3.3.4.** The Registrant refers to a number of OXYCELL products available in the South African market not emanating from the Complainant. The Registrant alleges that, based on the content of extracts from websites, the Complainants are not in a position to claim exclusivity to OXYCELL.
- 3.3.5.** The Registrant is of the opinion that the Complainants' evidence in support of their alleged common law reputation should be ignored as the Complainants have failed to prove the requirements for a passing-off action. The Registrant is of the opinion that the schedule of advertisements referred to by the Complainants have not been verified by an independent third party and as such, is

insufficient. Even in the event that the advertisements were flighted, the Registrant is of the opinion that the 14 days prior to the registration of the domain name in dispute, was insufficient to establish the requisite reputation. Insofar as the Complainants rely on the Glomail advertisements, the Registrant is of the opinion that any reputation which would have arisen, which is denied, would be that of Glomail's and not of the Complainants.

3.3.6. In summary, the Registrant denies that the Complainants have proved the requisite reputation based on its allegation that the product was available in South Africa for 1 month in circumstances in which there was not mention of the outlets, sales or other information which is necessary to sustain a passing-off action. The Registrant denies that the advertisement schedule, if verified, constitutes substantial nationwide advertising and publicity.

3.3.7. The Registrant claims to be fully entitled to register and use a domain name in respect of which a third party is unable to establish rights to such a name as is required in actions concerned with passing-off matters.

4. Discussion and Findings

4.1. General

The dispute is based on the following grounds:

4.1.1. the domain name is identical or similar to a name or mark in which the Complainants have rights;

4.1.2. the domain name in the hands of the Registrant is an abusive registration.

4.2. The Domain name is similar to a name or mark in which the Complainants have rights

4.2.1 it is common cause that the domain name oxycell.co.za is identical to the trade mark application No 2005/25472 OXYCELL in class 5 and the mark OXYCELL used by the Complainants. In addition, it is further common cause that the products offered to the public by the Complainants and by the Registrant are, for all intents and purposes, identical. This makes the Complainants and Registrant direct competitors;

4.2.2 the Complainants are Holistic Remedies (Pty) Ltd (HR) and Amka Pharmaceuticals (Pty) Ltd (Amka). HR is the proprietor of trade mark application No 2005/25472 OXYCELL in class 5 and Amka is the licensee of HR. This was not disputed by the Registrant and the evidence therefore stands;

4.2.3 the Complainants have submitted evidence in support of their contention that, by 29 August 2007, the date of registration of the Registrant's domain name, the product and OXYCELL mark had already been well established in South Africa as a result of the sales, supported by substantial nationwide promotion and the product being available in over 600 outlets. The statement is made that there were significant common law rights in the mark at that time. The Registrant has dealt with the Complainants' evidence regarding the product development, the development of the artwork and advertising, orders placed by the supplier of their product and the activities of Glomail, on the basis that it is entirely irrelevant to an enquiry as to whether or not the Complainants have established rights in and to OXYCELL; that the Registrant has no knowledge of advertisements that were alleged flighted; that the evidence presented by the Complainants is unverified by independent third parties and that the advertisements by Glomail

do not emanate from the Complainants with the result that the reputation would be that of Glomail and not the Complainants.

4.2.4 the Complainants submitted facts and figures and samples of the product and the product packaging in support of their contention that, at the time of registration of the Registrant's domain name, they had established a common law reputation in South Africa. The burden of proof that the Complainants have to meet is the balance of probabilities;

4.2.5 both the Complainants and the Registrant have stated that the extent of the rights which the Complainants had to prove, had to be significant common law rights. However, the Registrant is of the opinion that the Complainants have not established rights, let alone any significant common law rights to support a passing-off matter. The Registrant has alleged that internet searches revealed that there are a number of products available in the South African with the name OXYCELL or incorporating OXYCELL as the dominant portion thereof not emanating from the Complainants. Based on this, the Registrant is of the opinion that the Complainants are not in a position to claim exclusivity to OXYCELL. Unfortunately, the Registrant has not provided the Adjudicator with sufficient evidence to assess this claim. There is no indication as to the possibility that those products identified, pre-date the rights claimed by the Complainants nor is it clear that those products identified, are in fact available in South Africa. For that reason, the evidence submitted by the Registrant was not taken into consideration;

4.2.6 this raises the question as to the extent of the common law rights to be proven. The Complainants had to prove the requisite goodwill and reputation in their OXYCELL mark to support a passing-off action. The Registrant relies on a decision of Mr Plastic

CC vs Mr Plastic and Mining Promotional Goods (ZA2007 – 001), however, in that case, the Complainant had stated and categorised its objection as being a passing-off case. The Complainant in that case stated that, a passing-off claim, if sustained, would render the domain name in dispute and its use by the Registrant an abusive registration;

4.2.7 the Registrant in this case refers to the Mr Plastics case as support for its contention that the Complainants had to adduce such evidence as is required for it to be successful in legal proceedings based on the common law remedy of passing-off. One should guard against this generalisation as the Complainant in the Mr Plastics case categorised its case as a passing-off case. The law insofar as the extent of the unregistered rights and the burden of proof go, are very clearly stated in the WIPO Arbitration and Mediation case involving First National Telephone Services vs Mr Richard Gibbs where the following is stated:

"the panel concludes that a Complainant who can establish that he has a goodwill and reputation in a mark protectable by way of a passing-off action has "rights" in the trade mark or service mark in question for purposes of paragraph 4(a) of the Policy"

and

"the Complainant has established that it has acquired the requisite goodwill and reputation in the mark if NTENLE to support the passing-off action".

The burden of proof is not to show that a Complainant would be successful in a passing-off case. The case law referred to above, requires a Complainant to illustrate, on the balance of

probabilities, that it has a goodwill and reputation protectable by way of a passing-off action.

4.2.8 in conclusion, it is found that the Complainant, Holistic Remedies (Pty) Ltd has, on a balance of probabilities, proved rights to the name OXYCELL, which is identical to the domain name oxycell.co.za.

4.2.9 the Registrant has not provided any factual basis for the numerous denials and rejection of the Complainants' evidence. In the absence of any such factual basis, it is therefore found that the domain name oxycell.co.za is identical to the mark OXYCELL in which the Complainant, HR has established rights;

4.3. The Domain Name in the hands of the Registrant is an Abusive Registration

The Complainants rely on the following in support of this allegation:

4.3.1. the domain name oxycell.co.za, registered on 29 August 2007, is confusingly similar to the mark OXYCELL in respect of which there were, at the date of registration and now, substantial common law rights vesting in the First Complainant;

4.3.2. the Registrant's domain name resolves to an active website at which the Registrant promotes its own product under the mark CellFood in direct competition with the OXYCELL product;

4.3.3. registration of the domain name has the effect that the Complainants are barred from registering and using the identical domain name in which the First Complainant has significant rights. The allegation is made that the Registrant's conduct is intentionally

and unlawfully to appropriate trade of the Complainants and to hamper further trade of the Complainants;

4.3.4. the Registrant has therefore registered the domain name to prevent the Complainants from exercising their rights;

4.3.5. the Registrant's conduct in registering the domain name is also intended to unfairly disrupt the business of the Complainants by misleading purchasers and potential purchasers of the OXYCELL product, particular those approaching the domain name identified on the OXYCELL product, to a website on which the Registrant's own product is promoted. Internet traffic that should reach the Complainants' website is diverted to the Registrant, to the prejudice of the Complainants;

4.3.6. the primary intention of the Registrant, as alleged by the Complainants is therefore:

4.3.6.1 to unfairly disrupt the business of the Complainants;

4.3.6.2 to prevent the Complainants from exercising their rights; and

4.3.6.3 to intentionally block the registration of the domain name including the First Complainant's mark OXYCELL, in which the First Complainant has prior rights.

4.3.7. The Registrant responded by simply denying that the Complainants have established, at the date of registration of the domain name, the requisite reputation as required in passing-off cases.

4.3.8. The Registrant's defence is therefore that the domain name is not an abusive registration due to the fact that the Complainants have not proved that it has the requisite reputation.

4.3.9. In conclusion, it has already been found that the First Complainant has proven rights to a domain name which is identical to a name or mark in which the Complainant has rights as required in Regulation 3(1)(a). Therefore, the question that remains is whether the registration in the hands of the Registrant is an abusive registration. The conduct of the Registrant falls foul of Regulation 4(1) and therefore the Complainants have illustrated on a balance of probabilities that the domain name in the hands of the Registrant is an abusive registration.

4.4. Complainants' Rights

The First Complainant has proven, on a balance of probabilities, that it has rights to an identical name or mark to the registered domain name in the name of the Registrant, in accordance with Regulation 3(1)(a).

4.5. Abusive Registration

For reasons as set out above, it is found that the domain name registration in the hands of the Registrant was registered in a manner in which, at the time when the registration took place, took unfair advantage of, or was unfairly detrimental to the First Complainant's rights and has been used subsequently in a manner which takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.

5. Decision

- 5.1.** For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, oxycell.co.za be transferred to the First Complainant, Holistic Remedies (Pty) Limited.

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MR. MIKE du TOIT
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za