

APPEAL DECISION

CASE NUMBER: **APZA2009-0030**
DECISION DATE: **2 December 2009**
DOMAIN NAME: **seido.co.za**
THE DOMAIN NAME REGISTRANT: **Saids Karate**
REGISTRANT'S LEGAL COUNSEL: **Mr L Pierce / Mr L Noko**
Phukubje Pierce Masitela Attorneys
THE COMPLAINANT: **Allstates Global Karate Do, Inc.**
d.b.a World Seido Karate Organization
COMPLAINANT'S LEGAL COUNSEL: **Mr Warren Weertman**
Bowman Gilfillan
2ND LEVEL ADMINISTRATOR: **UniForum SA (co.za administrators)**

1. PROCEDURAL HISTORY

- 1.1** The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on 7 May 2009.
- 1.2** The Registrant submitted its Response, after an extension to do so until 8 July 2009 had been granted, thirty minutes after midnight on 9 July 2009. The Adjudicator accepted this late filing.
- 1.3** The Complainant submitted its Reply on 20 July 2009.
- 1.4** The SAIPL appointed Mr. G Morley SC ("the initial Adjudicator") as the Adjudicator on 28 July 2009. After requesting certain additional documentation from the parties, he rendered his Decision on 31 August 2009.

- 1.5 The Complainant filed its Appeal Notice on 1 October 2009.
- 1.6 The Registrant filed its Response to the Appeal on 21 October 2009.
- 1.7 SAIPL appointed Mr C.K. Job, Mr O Salmon and Mr D Bower as the Adjudication Panel to preside over this appeal matter on 19 October 2009. The Presiding Adjudicator is Mr C.K. Job.

2. Factual Background

- 2.1 The Complainant is Allstates Global Karate Do, Inc., a company incorporated in accordance with the laws of the State of New York, USA, doing business as World Seido Karate Organisation. It is the proprietor of certain trade mark registrations in class 41 in the USA and in South Africa including:-
 - 2.1.1 US registration no. 1,776,833 Chinese characters spelling “Seido Joku” dated 15 June 1993;
 - 2.1.2 US registration no. 1,779,266 SEIDO KARATE and Plum Blossom design dated 29 June 1993. The registration certificate reflects the fact that this trade mark was first used in commerce in 1976;
 - 2.1.3 South African registration no. 2005/02880 for Chinese characters (which translate as “*place of the sincere way*”) in respect of “*education; providing of training; entertainment; sporting and cultural activities*”.
- 2.2 There is indirect reference by the Complainant in the Dispute and explicitly in the Notice of Appeal, to the existence of South African trade mark registration no. 2005/02881 SEIDO in class 41 for the same services as those referred to above. However, no evidence in this regard has been submitted by the Complainant.

- 2.3** World Seido Karate Organisation (“WSKO”), operated by the Complainant, was founded by a Mr Tadashi Nakamura, a world renowned Karate Grand Master, in 1976 when he broke away from an organisation called Kyokushin Karate (of which he had been a member since 1953). He chose the name “Seido” (meaning “sincere way”) as the name for a new style, practice and philosophy of karate which he intended to follow and teach.
- 2.4** WSKO has for many years been international in nature and has branches in seventeen countries. More than twenty thousand students practise the “sincere way”. It has headquarters in New York and its claim that it has established over a hundred dojos in seventeen countries around the world (including in South Africa) is not disputed. “Dojo” is a word denoting a formal gathering place for students to practice Japanese martial arts.
- 2.5** The Complainant registered the domain name seido.com on 17 June 1996 and launched a website at www.seido.com in December 1998. It receives in excess of forty thousand visitors per year (from unspecified locations). It and its licensees have also registered various other domain names incorporating “seido” around the world.
- 2.6** The Complainant states that, as a result of the extensive use of the trade mark SEIDO (certain details of which have been provided in the form of annexures to the Complaint), it has become very well-known internationally (including in South Africa) in relation to karate. It also contends that the “SEIDO trade mark serves as a unique and distinctive element” designating the Complainant’s services. Although no factual evidence to this effect has been put forward proving the situation in South Africa, it claims to be the exclusive owner of the SEIDO trade mark.

- 2.7** The Registrant, Said Karate, is a South African karate organization operated by Suliman Said (also sometimes referred to as “Shihan Solly”) who was originally also a member of Kyokushin Karate. He studied under Mr Nakamura and, in 1976, he left the Kyokushin organisation in solidarity with Mr Nakamura. He wrote to Mr Nakamura to request affiliation to WSKO and established the Seido Karate Organization of South Africa in this country in the same year. The master-pupil relationship which had developed between Mr Nakamura and Mr Said thus resulted at that time in the Seido style of karate finding root in South Africa. Mr Said was the “Branch Chief” and worked to promote the WSKO.
- 2.8** On 14 August 1978, “Seido Karate Organisation of South Africa” was registered under no. 818/8/78 in terms of the Heraldry Act, no. 18 of 1962. “Seido” (simpliciter) was simultaneously registered as a “*special name*” under that Act. It is not disputed that it was Mr Said who obtained these registrations.
- 2.9** With effect from 8 March 1991, the Registrant registered South African trade mark registration no 1991/01620 SEIDO in class 41 in respect of “*education and entertainment*”. The registration was not renewed when it fell due for renewal in 2001. According to the Register of Trade Marks, the registration was removed on 1 November 2004 but was restored on 9 July 2009. It is thus currently in force.
- 2.10** On 2 April 2001, the Registrant registered seido.co.za as a domain name and commenced a website in 2002 at www.seido.co.za under the style “South African Karate Home”.
- 2.11** Mr Said’s affiliation with WSKO lasted from 1976 to 2005. During this period he made over 22 trips to WSKO in New York. He made many trips to Japan and took teams to countries including New

Zealand, Australia, Jamaica, India, Egypt and England, at his own expense to support and promote the WSKO.

- 2.12** Mr Said never received financial assistance from WSKO. Money went in the other direction – from Africa to the USA in the form of, *inter alia*, affiliation fees, promotion fees and merchandise fees.
- 2.13** Material tendered by Mr Said in the form of press cuttings, advertisements, and the like reflects the affiliation of the South African Organization to the WSKO.
- 2.14** On 20 October 1996, the Complainant entered into a License Agreement with Mr Said. In the preamble, it is stated that the Complainant owned three “service marks” namely, SEIDO, the calligraphy rendition of the Japanese words for “place of the sincere way” and a logo consisting of a plum blossom design. The latter two registrations are referred to in paragraphs 2.1.1 and 2.1.2 above. No registration existed in the name of the Complainant in the USA or South Africa for SEIDO (simpliciter) at that time. The Complainant only filed trade mark applications to register SEIDO and the Chinese characters meaning “sincere way” in this country on 14 February 2005.
- 2.15** The License Agreement granted the Registrant a non-exclusive royalty free and non-transferable licence to use the “*SEIDO service marks*” in South Africa in connection with conducting courses of instruction in Seido karate. As already mentioned, the preamble to the agreement defines the SEIDO service marks to include SEIDO (simpliciter). The agreement also contains an acknowledgement that the Complainant was the sole and exclusive owner of all rights in and to the SEIDO service marks and that, on termination, the Registrant would immediately cease using these trade marks.
- 2.16** Neither the Complainant nor the Registrant has explained why they agreed to these terms in 1996 when the Registrant was the actual

owner of South African trade mark registration no 1991/01620 SEIDO at the time and had also registered Seido names under the Heraldry Act.

- 2.17** As mentioned, from its formation in 1976 until certain events in 2005 referred to below, the Registrant continued its activities as Seido Karate South Africa. A brochure relating to the SA Seido Karate International Benefit and Memorial Tournament held from 2 to 5 September 2004 annexed to the Registrant's Reply to the Complaint included a message from Mr Nakamura, referring to the Registrant, stating:-

"I knew Shihan Solly from when he first contacted me through Kyokushin Kai. He come to study that system first, and he worked so hard. He became a teacher, and soon a branch chief. Soon enough he started his own organisation in South Africa."

- 2.18** On 27 April 2005, the License Agreement between the Complainant and the Respondent was terminated. For reasons not disclosed, the Registrant had resigned from the WSKO. Mr Nakamura then wrote to Mr Said on 27 April 2005 purporting to expel him from the organisation. The Registrant was informed that he was no longer "permitted to use such Seido name, logo or syllabus".
- 2.19** Following the termination of the License Agreement, the Registrant changed the name of his karate school to "Ken To Fude No Ryu". He continued his website at www.seido.co.za for the new organisation and on the home page it is stated that "*Hanshi Solly Said was the founder of the SA Seido Karate Organisation which he headed for thirty years. He is now founder and head master of a new and dynamic organisation called the Ken to Fude No Ryu Kenshu Kai Karate*". The Registrant has said that his association with the philosophy and principles of Seido, "are as strong as ever".

2.20 In addition to its registrations under the Trade Marks Act and Heraldry Act, the Registrant claims “much goodwill and value in the SEIDO name”. He has also stated that there are no fewer than seven other organisations globally which use the word Seido in their names and domains. These include Seidojuku, Seido Kan, Sei-dokan and Seido Kai Kan. This is not disputed by the Complainant.

3. DECISION UNDER APPEAL

3.1 The initial Adjudicator refused the Dispute. He initially considered the provisions of Regulation 3(1)(a) and whether the Complainant had a relevant right in respect of a name or mark that is identical or similar to the domain name.

3.2 The initial Adjudicator disagreed with the Complainant’s contention that it was the exclusive owner of the SEIDO trade mark and held that the Complainant did not meet the first requirement of Regulation 3(1)(a). His view was that the Complainant’s domain name seido.com did not confer such rights, nor did the License Agreement. There was no evidence that the trade mark SEIDO was registered by the Complainant at the time of the License Agreement or otherwise and the Complainant failed to establish that it enjoyed common law rights in the trade mark SEIDO in South Africa or that it was well-known as a trade mark indicating the Complainant’s organisation. Rather, the evidence of the Registrant pointed the other way, namely, that the trade mark SEIDO was associated in South Africa with the Registrant’s activities.

3.3 The initial Adjudicator also considered whether the domain name could in any event be considered an abusive registration. The Complainant had relied on the provisions of Regulation 4(1)(a)(ii),(iii) and (iv) and 4(1)(b) in this regard.

3.4 The initial Adjudicator held that none of the requirements of Regulation 4(1)(a) had been met. As to whether the Registrant had

registered or was using the domain name contrary to paragraph 4(1)(b) in a way leading people to believe that the domain name was registered to, operated or authorised by, or otherwise connected with the Complainant, the initial Adjudicator favoured the Registrant's contention that his (new) website homepage made it clear that the domain name would not lead to any such belief.

- 3.5** The initial Adjudicator also considered Regulation 5 and whether there were any factors negating the allegation of abusiveness, particularly whether the Registrant was commonly known by and had been known by the name, or legitimately connected with a mark identical or similar to the domain name (Regulation 5(a)(ii)). He held that the Registrant had been legitimately connected with a mark identical or similar to the domain name because it owned a trade mark registration for SEIDO. The existence of the Registrant's registration under the Heraldry Act lent support to that claim.
- 3.6** As the burden of proof rested on the Complainant, it had failed to discharge it.

4. THE PARTIES' SUBMISSIONS ON APPEAL

4.1 Complainant

The Complainant makes, *inter alia*, the following submissions in its Appeal Notice:-

- 4.1.1** the initial Adjudicator overlooked the Complainant's trade mark registration no 2005/02881 SEIDO which was obtained in 2008;
- 4.1.2** the Complainant had established, on the evidence, the existence of common law rights in the name and trade mark SEIDO and all evidence of the Registrant's use of the mark was actually further evidence of the

Complainant's common law rights because Seido karate was launched in South Africa in 1978 (*sic*) under the auspices of the Complainant;

- 4.1.3** the Complainant was the originating source of the SEIDO trade mark in 1976 and the only way that the Registrant came into contact with the trade mark was as a result of his relationship with the Complainant. The evidence established that the Complainant and Mr Nakamura created the SEIDO trade mark and the Seido style of karate;
- 4.1.4** the initial Adjudicator should have held in favour of the Complainant because of the existence of its registered and common law rights in South Africa in the SEIDO trade mark;
- 4.1.5** the restoration of trade mark registration no 1991/01620 SEIDO by the Registrant in 2009 was an attempt to frustrate the legitimate operations of the Complainant in these proceedings;
- 4.1.6** the initial Adjudicator had disregarded the fact that the Registrant was "baiting and switching" internet users into an alternative form of karate through the use of the disputed domain name. The Registrant was luring internet users to switch to his new style of karate; and
- 4.1.7** the License Agreement between the parties, which was terminated in 2005, required the Registrant to discontinue the SEIDO mark upon termination and the Registrant had acknowledged that the Complainant owned the SEIDO mark.

4.2 Registrant

The Registrant submitted a Response to the Appeal Notice and contends, *inter alia*, that:-

- 4.2.1 the Complainant had given no proof of ownership of a trade mark bearing the registration no. 2005/02881 SEIDO or of any common law rights in the word “Seido”;
- 4.2.2 the registration of the word “Seido” under the Heraldry Act and the mark SEIDO under the Trade Marks Act by the Registrant pre-dated the License Agreement;
- 4.2.3 the Registrant continues to subscribe to the principles and philosophy of Seido and accordingly is entitled to continue promoting such philosophy and principles in its teachings;
- 4.2.4 the word “Seido” and its use in association with martial arts pre-date the Complainant’s use of the word “Seido”;
- 4.2.5 the Registrant’s website is unequivocal in stating that the form of karate offered by him is not that of the Complainant; and
- 4.2.6 because the Registrant was at all relevant times been the registered owner of the SEIDO mark in South Africa, the Complainant had no authority to license the mark SEIDO to him.

5. DISCUSSION AND FINDINGS (of Mr C Job and Mr D Bouwer)

- 5.1 In terms of Regulation 11(8), an appeal proceeds on the basis of a full review of the matter. The Appeal Adjudication panel is obliged to consider the matter afresh. As the Appeal Adjudicators are not *ad idem* in their decision, what follows summarises the views and

findings of the Presiding Adjudicator, Mr C Job and the one Senior Adjudicator, Mr D Bouwer.

- 5.2** The first aspect to deal with is whether the Complainant has adequately established that it has rights in respect of a name or mark (Seido in this case) which is identical or similar to the domain name in terms of Regulation 3(1)(a). We accept that Seido and seido.co.za are identical or similar.
- 5.3** In considering this issue under Regulation 3(1)(a) and the evidence submitted by the Complainant about its rights, both statutory and common law, in the name and trade mark SEIDO, the Complainant bears the onus of proof.
- 5.4** At no stage relevant to this Dispute has the Complainant owned any trade mark registration in South Africa (or in the USA) for SEIDO (simpliciter). The Registrant was therefore never registered as a registered user of any registration for SEIDO of the Complainant under the provisions of the Trade Marks Act, 1963 from the date of its formation in 1976 until the current Trade Marks Act came into force on 1 May 1995. Similarly, at no stage during the term of the License Agreement, that is, from 1996 until 2005, did the provisions of Sections 38 (1) and (2) of the Trade Marks Act operate in favour of the Complainant. Thus, the Respondent's use of the SEIDO trade mark has never been deemed to be use by the Complainant and the goodwill in the name and mark that has come into being is, in terms of the authorities, the property of the Registrant.
- 5.5** No evidence has been placed before the panel to indicate as a matter of fact whether members of the South African public, particularly those interested in or practising karate, associate Seido or the Seido style of karate, or the goodwill associated with Seido Karate, with the Complainant, exclusively or otherwise, as opposed to the Registrant. There is, however, undisputed evidence that

there are several other organisations using the name Seido as part of their trading names and domain names.

- 5.6** The Complaint has therefore not established any statutory or registered rights in the name or trade mark SEIDO. The License Agreement does, however, confer certain contractual rights on it and must be taken into account. As already mentioned, despite the statement in the preamble that the Complainant owned the service mark SEIDO, this was not factually correct in South Africa or in the USA at that time. Nevertheless, *ex facie* the License Agreement, the Registrant admitted in 1996 that the Complainant had certain rights in the service marks.
- 5.7** The extent or strength of the “right”, as defined in the Regulations, required to be shown by a Complainant to have *locus standi* conferred on it on a balance of probabilities under Regulation 3(1)(a) is not clear but we have been guided by earlier decisions on this point. (See WIPO decisions *surfcult.com* [2002-0381] and *dinkybomb.com* [D2004-320] and SAIPL decisions *suncityvacation.co.za* [ZA2008-0023] and *bikeandleisuretrader.co.za* [ZA2008-0018]. Our view is that the threshold in this regard should be fairly low and we find that the Complainant has, through the License Agreement, established sufficient right to cross this hurdle.
- 5.8** In this regard, we therefore disagree with the finding of the initial Adjudicator.
- 5.9** Turning to the substantive issue of whether *seido.co.za* is an abusive registration or not, we have reviewed the provisions of Regulations 4 and 5. It is helpful to set these out:-

“4. (1) *Factors, which may indicate that the domain name is an abusive registration include-*

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

“5. *Factors, which may indicate that the domain name is not an abusive registration, include-*

- (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 in the domain name;*

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

5.10 The onus of proof remains with the Complainant to establish the criteria of abusiveness on a balance of probabilities. It specifically relies on Regulations 4(1)(a)(ii), (iii) and (iv) and 4(1)(b) and the shift in the burden of proof referred to in Regulation 5(c) is not applicable as the Complainant has not relied on the specific provisions of that Regulation.

5.11 We have already referred to the absence of any relevant South African trade mark registration, or proof of relevant common law rights, in the name and trade mark SEIDO in the name of the Complainant. Its rights, such as they are, stem at best from the License Agreement. On the other hand, it is indisputable that the Registrant has owned and continues presently to own significant rights in the name and trade mark SEIDO. It is the proprietor of South African trade mark registration no. 1991/01620 SEIDO and has been so for much of the time period in issue. It holds registrations for “Seido Karate Organization of South Africa” and “Seido” under the Heraldry Act and it conducted business for 29 years, from 1976 until 2005, using the name and trade mark SEIDO. Since 2005, it has continued to associate its organization with Seido through the use of the domain name in dispute.

5.12 The legal effect of the License Agreement on the registered and common law rights of the Registrant in the SEIDO name and trade mark is not considered capable of resolution on the papers before us or in this forum. At the very heart of the Dispute is, indeed, the question of the proprietorship of the trade mark SEIDO (if it be one) in South Africa both under statute and at common law. We must

accept the facts as they presently exist, including the existence of the Registrant's registered and common law rights. It is our view that we are unable to decide the question of the validity of the registrations under the Trade Marks and Heraldry Acts and should not attempt to do so.

- 5.13** In short, the Alternative Dispute Resolution regime under the Electronic Communications and Transactions Act, 2002, is not considered to be the appropriate forum to resolve conflicting claims to proprietorship of trade marks, at least in this matter.
- 5.14** None of the undisputed facts, in our view, establishes a basis for a finding of abusiveness under Regulation 4(1)(a)(ii), (iii) and (iv) or 4(1)(b). The Registrant has significant statutory and common law rights, and has been conducting an organization under the name Seido, or involved with the Seido philosophy, since 1976. There are several other organizations which also use the name Seido and the Complainant does not have the exclusive right to use it.
- 5.15** At the time of registration of the domain name in 2001, the Registrant did not intend to block, intentionally, the registration of the name or mark by the Complainant or to disrupt, unfairly, the business of the Complainant or seek to prevent the Complainant from exercising its rights. The Registrant has not used and does not use the domain name in a way which leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the Complainant. The Registrant has itself a legitimate and historic connection with Seido and owns statutory and common law rights in the trade mark. Its website accurately explains the previous relationship between the parties and it confirms that it adheres to the principles and philosophy of "the sincere way".

- 5.16** With reference to Regulation 5, we find that the evidence indicates that the Registrant has been commonly known by the name and legitimately connected with the mark in terms of Regulation 5(a)(ii). It is making fair use of the domain name in terms of Regulation 5(b).
- 5.17** We do not agree that the Registrant is “baiting and switching” internet users into an alternative form of karate. There is a long established connection between the Registrant and the Seido form of karate, the term Seido is not exclusive to the Complainant and the Registrant contends that it continues to practice or adhere to the principles and philosophy of “the sincere way”.
- 5.18** We therefore find that the domain name seido.co.za is not abusive.

6. DISCUSSION AND FINDINGS OF MR O SALMON (DISSENTING)

- 6.1** The dissenting Adjudicator has read the judgment of his co-panellists Mr CK Job and Mr D Boucher. The conclusion to which he has come is different from theirs. As required by Regulation 29(5) read with Regulation 32(10), the dissentient view is to accompany the concluding Appeal Decision and is set out hereunder.
- 6.2** The dissenting Adjudicator’s view is premised on additional facts not recorded in the concluding Appeal Decision. In what follows is a distillation of the facts¹ which – in addition to those recorded in paragraph 2 above - lead to the dissenting conclusion.
- 6.3** ‘Seido’ is a style of karate, one of the many styles which are recognized internationally and which are different from each other. Translated from the Japanese, Seido means “sincere” (sei) “way” (do). There are parallels in this nomenclature with other martial arts – judo, for example, means “gentle way”; taekwondo loosely

¹ The facts set out in this section are, mostly, extracted from the statements and documents tendered to support the Registrant’s opposition to the dispute. In any event, the facts are not disputed.

translates as the foot (tae) and fist (kwon) way (do). There are also different styles of such martial arts; and, respectively, different governing bodies and organizations – as with karate. The origins of seido karate (for present purposes) are as follows.

- 6.4** After studying the Kyokushin style of karate² under its founder, Masutatsu Oyama (a world recognized karate Grand Master), Tadashi Nakamura began teaching others at a high level. In 1966, Nakamura was “selected” by Oyama to transport Kyokushin karate to America. He moved to New York and established a dojo, where he formed and based the North American Kyokushin Karate Headquarters. He presided over this organization for the next ten years.
- 6.5** In the meantime, in 1965, Suliman Said (the Registrant) had begun studying karate in Johannesburg. In 1973, Said travelled to New York to train under Nakamura – for him, training with Nakamura was a stepping stone to meet Oyama. Nakamura gave Said a letter of recommendation, upon his promotion to black belt, and it appears that Said travelled to Japan in order to meet Oyama.
- 6.6** In March 1975,³ Said received a letter from Oyama informing him that Nakamura had been removed from the position of Chairman of the North American Kyokushinkai. At about the same time, Said also received a letter from Nakamura telling him that he had resigned from the Kyokushin Organization and was going to form his own style. Nakamura’s resignation was in March 1976.
- 6.7** In June 1976, he formed a new dojo called Seido Juku⁴ and established the World Seido Karate Organization. The following

² Nakamura had also studied another style of karate, Goju-Ryu karate.

³ It may be that this is a typographical error in the record, and that the year was 1976. Nothing turns on this.

⁴ In Japanese, “Juku” is, generically, a special private school that offers lessons conducted after regular school hours.

composite marks were, as from June 1976, used by World Seido Karate Organization in relation to karate instruction (and clothing) and in due course came to be registered with the United States Patent and Trademark Office:-



SEIDO KARATE

- 6.8** Without hesitation, in solidarity with Nakamura, Said resigned from the Kyokushin Organization. He wrote to Nakamura to request affiliation to his new organization. With the blessing of Nakamura, Said established the South African branch of the World Seido Karate Organization. It was the first affiliate dojo in the world.
- 6.9** When Said joined the World Seido Karate Organization in October 1976, he had an established karate school. All his students followed him and remained under his tutelage and guidance. Said held his teacher (Nakamura) in the highest esteem and passed on information about Nakamura and the World Seido Karate Organization to his students. He remained a loyal and dedicated student of World Seido Karate Organization. He was the Branch Chief – steering, guiding, promoting and working tirelessly to promote the World Seido Karate Organization, to the extent that

World Seido Karate Organization became a household name from Soweto to Sandton, Johannesburg to Cape Town.

6.10 Material tendered by Said in the form of press cuttings, advertisements, and the like reflect South Africa Seido Karate as a branch of the World Seido Karate Organisation; and, in other ways, his evidence demonstrates the affiliation of the South African Organization to the World Seido Karate Organization. Thus, one of the documents tendered by Said states that:-

“The success of SA Seido Karate is in no way disconnected from the astonishing growth of the Seido Juku worldwide. Kaicho (Nakamura) who is a 9th Dan Grand Master has achieved recognition both international and more importantly, in Japan, where Seido Karate is recognised as an authentic Japanese Martial Art. Seido Karate’s history is the history of a truly remarkable man whose leadership and charisma have forged the Organization on an international scale by the modest means of gifted selection and absolute trust in his branch chiefs. Kaicho has not travelled the world proclaiming Seido Karate. Instead his branch chiefs travel periodically to Honbu, to grow and learn, and they in turn represent Kaicho in their respective Dojos’ and countries. SA Seido Karate under the guidance of Shihan Solly Said is a tribute to Kaicho and his principles of respect, love and obedience.”

Another document states:-

“The establishment of Seido Juku in South Africa was not an isolated event – it was the extension of many years of traditional Budo.⁵ It started with the practice of Karate-do by Shihan Solly Said within the Kyokushinkai Organization for some ten years. It was followed by the acceptance of Shihan Solly Said as a Seido Branch Chief by Kaicho (then addressed as Shihan) Tadashi Nakamura on 15 October 1976.”

⁵ A generic term describing martial arts.

- 6.11** Said spent his life promoting the World Seido Karate Organization - his association with it lasted from 1976 to 2005. During this period he made over 22 trips to New York. He made many trips to Japan and took teams to these countries, including New Zealand, Australia, Jamaica, India, Egypt and England - all at his own expense to support and promote the World Seido Karate Organization.
- 6.12** In turn, the World Seido Karate Organization was proud of its South African affiliation. Much was made in speeches and promotional articles that the names Mandela and Sisulu were on Said's membership list. Because many prominent human rights activists and freedom fighters trained with him, particularly during the 1980's when the struggle was at its peak, the South African affiliation gave the World Seido Karate Organization credibility and mileage - at home and overseas.
- 6.13** The following is a truncated compilation of events in this history:-
- 6.13.1** In 1986, as a contributor to the 10th anniversary celebration of World Seido Karate Organization, South African Seido hosted a second annual tournament.
- 6.13.2** In 1990 Said, and several of Seido Karate's most senior members, accompanied Nakamura to Japan. They were given the freedom of the City of Tokyo by its then Governor.
- 6.13.3** In 1991 Nakamura came to South Africa and in the following 2 years further branches of the World Seido Karate Organization opened around South Africa.
- 6.13.4** In 1995 Said attended the World Seido Karate Organizations Eighth Benefit Tournament. In 1996 Said headed a 60 member strong team to celebrate World

Seido Karate Organization's Twentieth Anniversary and officially received his 6th Dan from Nakamura.

- 6.13.5** With effect from 20th October 1996, Said and the Complainant entered into a written licence agreement. (This is referred to further below.)
- 6.13.6** In 1998 Said took a team to New Zealand to participate in a World Seido Karate Organization Tournament. In 1999 he sent a team to Jamaica, and the South African Seido branch hosted an international benefit tournament where members of the World Seido Karate Organization from 7 countries visited South Africa and participated in that tournament. In 2000 Said participated in a black belt clinic and a Branch Chief's meeting in New York City.
- 6.13.7** In 2001 Said was requested by Nakamura to visit the Indian branch of World Seido Karate Organization as it was in turmoil. He restored order to the Indian organization. In the same year, he travelled to Egypt and met with the President in the Committee of the National Karate body and had fruitful discussions regarding the World Seido Karate Organization.
- 6.13.8** On 2nd April 2001⁶ Said registered the domain name <seido.co.za> - the one in issue. He commenced using it on 15th May 2002, associated to a website entitled "South Africa Seido Karate Home". In the launch of the website one of the trade marks referred to in the licence agreement was used.
- 6.13.9** Also in 2001, Said attended the World Seido Karate Organization 25th Anniversary celebrations in New York

⁶ This was during the currency of the licence agreement.

City and adjudicated in a benefit tournament. In 2002 Said took a team to Japan for the World Seido Karate Organization's Tokyo Dojo 5th Anniversary and an international tournament. In 2003, he took a team of 20 students to the Australian 2003 Karate Festival hosted by the Australian Seido Karate Organization.

- 6.14** Said cut ties with the World Seido Karate Organization in early 2005. On 16 January he wrote to Nakamura stating that he was “resigning” and on 7 April 2005 the licence agreement was terminated. He founded, and is the Head Master, of a “new and dynamic” organization called the Ken To Fude No Ryu Kenshu Kai Karate – “the Karate Way of the Brush and the Sword”. (The domain in question <www.seido.co.za> now diverts to a website for this organization.)
- 6.15** Said is highly respected in the national and international martial arts community. He is an 8th Dan, and in South Africa is considered a legend in his own right. In 2006 he was inducted into the World Martial Arts Hall of Fame in Cleveland, Ohio, USA. This history of South African Seido is closely intertwined with the growth of Said, and a number of highly ranked karate practitioners, students of Said, have made (unsworn) statements⁷ attesting to the synonymy of Said with Seido karate in South Africa.
- 6.16** Said has since had no affiliation with the World Seido Karate Organization as from 2005. He has, since then taught his different style of karate, not the style of the World Seido Karate Organization. Although a print-out of the home page (at www.seido.co.za) annexed to the Registrant's Reply does not support it, the allegation is made by Said that the page is “*unequivocal in stating that the*

⁷ These are dated subsequent to the lodging of the complaint.

form of karate offered by (the Registrant) is not that of the World Seido Karate Organization”.

6.17 The World Seido Karate Organization continues to operate in South Africa with several schools located in Johannesburg and Cape Town, none of which are associated with Said.

6.18 THE LICENCE AGREEMENT^{8 9}

6.18.1 The Preamble records the following:-

6.18.1.1 The Complainant is an organization founded for and devoted to conducting instruction of martial art in the form and style known as “Seido” or “Seido karate”.

6.18.1.2 The “Seido karate syllabus” is the performance and instruction in karate as promulgated by Nakamura in his classes, writings, literature video and other media.

6.18.1.3 The Complainant is the owner of the following service marks:-¹⁰

- SEIDO
- the calligraphy rendition of the Japanese words for “place of the sincere way” (i.e. Seido)
- a logy¹¹ consisting of a plum blossom design.

⁸ The agreement is governed by the laws of the state of New York. Foreign law is presumed to be the same as South African law, in the absence of evidence indicating otherwise – Harnischfeger Corporation and Another v Appleton 1993 (4) SA 479 (W) at 485 J.

⁹ The licence agreement records that it represents the entire agreement between the parties.

¹⁰ It is not recorded in the agreement that these are registered trade marks.

¹¹ Sic; presumably ‘logo’.

6.18.1.4 The Complainant is the owner of a registration in Class 41, in respect of educational services, namely, conducting courses of instruction in karate for the following trade mark, which the Complainant has used since 18th June 1976:-



6.18.1.5 Said wishes to conduct courses of instruction in Seido karate under the name Seido and the other aforementioned marks.

6.18.2 Upon those premises, the parties concluded agreement with the following terms:-

6.18.2.1 The Complainant granted to Said a non-exclusive, royalty-free, non-transferable licence to use the SEIDO marks in connection with conducting courses of instruction in Seido karate under his supervision as Branch Chief.

6.18.2.2 The SEIDO marks were to be used only in connection with instruction in Seido Karate.

6.18.2.3 Said acknowledged the Complainant as sole and exclusive owner of all rights in and to the SEIDO service marks, and the value of the goodwill therein and the validity of the registrations, as well as the (unregistered) service mark ownership rights of the Complainant.

- 6.18.2.4** Said agreed that nothing in the agreement shall give to him any right, title or interest in and to the SEIDO service marks, other than to use them in accordance with the terms of the agreement.
- 6.18.2.5** He further agreed never to attack the Complainant's title in and to the SEIDO service marks, and that his use thereof pursuant to the agreement would inure to the benefit of the Complainant.
- 6.18.2.6** Said further agreed not at any time to apply for, or authorise or assist any third party to apply for registration of any mark, copyright or other designation which would affect the Complainant's ownership of the marks, or file any document with any governmental authority or take any action which would affect its ownership of the marks, or take any other action inconsistent with the Complainant's ownership of the SEIDO service marks.
- 6.18.2.7** Said further agreed not, at any time, to make use of any service mark, trade mark, trade name or other designation identical to or colourably similar to any of the SEIDO service marks on any product or in connection with any service except the conducting of courses of instruction in Seido karate or Seido karate tournaments, exhibitions, or other demonstrations.

6.18.3 There are several quality control provisions. Said undertook:-

6.18.3.1 to use the SEIDO marks only in such form (including, but not limited to, arrangements, colour or otherwise) as approved by the Complainant;

6.18.3.2 to teach karate in accordance with the Seido Karate Syllabus;

6.18.3.3 to continue to train in karate periodically in classes taught personally by Nakamura or his designees;

6.18.3.4 to follow the Seido Karate Syllabus in conferring promotions in rank under standards promulgated by the Complainant;

6.18.3.5 that all karate instruction provided under or in connection with the SEIDO marks will be of the same quality as, and in no event of a lesser quality than, the karate instruction provided at the time of conclusion of the agreement and as reviewed by the Complainant;

6.18.3.6 during the first quarter of each year, to forward to the Complainant for approval examples of promotional material for karate instruction, tournaments and exhibitions to be utilised during the forthcoming year;

6.18.3.7 that all such material shall state that the SEIDO marks are being used under license from the Complainant;

6.18.3.8 not materially to depart from the use of the SEIDO marks as set forth in such samples without the prior written approval of the Complainant.

6.18.4 In the event of termination of the agreement:-

6.18.4.1 Said shall immediately cease using the SEIDO marks in connection with conducting courses of instruction in karate, conducting or sponsoring of tournaments or other demonstrations of karate, or on any promotional advertising or other materials related to karate or any other form of martial arts, or otherwise;

6.18.4.2 all rights granted shall revert to the Complainant.

7 THE QUESTION OF “RIGHTS”

7.1 As pointed out by the initial Adjudicator,¹² the first issue to determine is whether the Complainant has a right in respect of the name or mark that is identical or similar to the domain name. If so, the second issue to determine is whether the registration is abusive. The Complainant is required to prove that both elements are present on a balance of probabilities.

7.2 However, where the domain name is the same as the mark in which the Complainant is found to have the prerequisite rights, the onus is placed on the Registrant to establish that the domain is not abusive.¹³

¹² See the decision, ZA2009-0030, para. 4.1.
¹³ Regulation 5(c).

- 7.3** The dissenting Adjudicator agrees with the conclusion reached by the majority Panellists that the Complainant has established rights in the mark ‘Seido’ sufficient to endow it with *locus standi* for the purposes of Regulation 3(1). However, the dissenting Adjudicator is of the view that the licence agreement is not the only basis upon which this *locus standi* is established.
- 7.4** The notion of “rights” for the purposes of Regulation 3(1)(a) is not trammelled by trade mark jurisprudence. By definition,¹⁴ rights include “*intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law, but is not limited thereto*”. As pointed out by the majority Panellists, the test for ‘rights’ has a low threshold, but (as recorded by the Nominet Advisory¹⁵) the main point of the test is to make sure that the person who complains is someone with a proper interest in the complaint. In the dissenting Adjudicator’s view, this approach is correct in application to the Regulations and is mirrored in the broad definition of ‘rights’.¹⁶
- 7.5** Thus, there are WIPO UDRP decisions to the effect that the location of a registered trade mark is irrelevant when finding “rights” in a mark for the purposes of establishing the Complainant’s *locus standi*.¹⁷ For example, the following was stated in <thaigem.net> UDRP case number D2002-0358:-

“These rights acquired in the United States are relevant for this administrative proceeding, although the Complainant is from the Cayman Islands and the Respondent from Thailand. As indicated by the panel in Bennet Coleman and Co. Ltd vs Steven S Lallwani, WIPO case no. D2000-0014 and Bennet Coleman and

¹⁴ Regulation 1.

¹⁵ See the Nominet Advisory at www.nominet.org.uk/disputes/drs/rights.

¹⁶ See also the decision by Adv. Morley SC in <mares.co.za> [ZA2008-0016] at para. 4(a).

¹⁷ See, in general, the WIPO Advisory at www.wipo.int/amc/en/domains/serarch/overview.

Co. Ltd vs Long Distance Telephone Company, WIPO case no. D2000-0015, *“the essence of the internet is its worldwide access”*. The propriety of the domain name registration may be questioned by comparing it to a trade mark registered in any country.”

This has to be so, in the dissenting Adjudicator’s view, given the cyber-nature of the animal - the internet is a borderless phenomenon.

7.6 It is considered that there are several bases upon which to find that the Complainant has rights relevant for the purposes of Regulation 3(1)(a):-

- it is the proprietor of a United States Federal Registration for the trade mark SEIDO JUKU¹⁸ in Classes 25 and 41;
- it is the proprietor of a United States Federal Registration for the trade mark WORLD SEIDO KARATE ORGANIZATION¹⁹ with the plum blossom logo in Class 25;
- it is the proprietor of a United States Federal Trade Mark registration for the trade mark SEIDO KARATE with the plum blossom logo in Class 41;
- there are pending United States applications for federal registration of the trade mark SEIDO KARATE in Classes 25, 28 and 41;
- it has used the aforesaid trade marks in commerce since 1976;

¹⁸ Exclusive rights in the word ‘juku’ are disclaimed.

¹⁹ Exclusive rights in the word “world” and the words “karate organization” are disclaimed in the registration. There is no disclaimer of the word “Seido”.

- the Complainant's business name is World Seido Karate Organisation;
- it is the proprietor of the domain www.seido.com;
- either it or its licensees are proprietors of several domain registrations containing or incorporating the word SEIDO.

7.7 In the dissenting Adjudicator's view, these marks are identical (at least in the case of www.seido.com) or similar (in the case of the rest) to the domain name www.seido.co.za.

8 THE QUESTION OF ABUSE

8.1 There are a number of reasons underlying the dissenting view, which is that the domain name is abusive. As was noted, somewhat anecdotally, by Jacob J in Neutrogena:²⁰ it depends on the evidence.

8.2 'Abuse', in terms of the Regulations, is defined (*qua* 'abusive registration') but not exhaustively. Interpretation further, and application to facts, is required. Nor is Regulation 4, recited in paragraph 5.9 above, a *numerus clausus*. It is a guide as to factors which may indicate abuse. 'Abuse' in plain language needs no definition or authority – it means to misuse, improper use, to apply to a wrong purpose.²¹

8.3 Against this, reference must be made to the existence, in the hands of the Registrant, of the trade mark registration and Heraldry Act registration for the word 'seido'. These, in the view of the initial Adjudicator and the majority Panellists, afford sufficient basis to conclude that the domain name <seido.co.za> is not abusive, the

²⁰ Neutrogena Corporation & Another v Golden Limited and Another [1996] RPC 473 ChD at 482.

²¹ Concise Oxford Dictionary 7th Ed.

underlying reasoning being that Said has the registered right to use the mark and therefore is legitimately connected with the mark.

- 8.4** The dissenting Adjudicator considers that this approach leads to an incorrect conclusion. First, it places too much emphasis on the South African (and exclusively so) context thereby ignoring the international phenomenon of the world wide web. It also ignores the negative nature of the right – i.e. generally, to exclude others from its use - in the sense that the positive nature of the same right – i.e. to exploit the right – is not absolute.²²
- 8.5** So, in part, the question still remains – is the domain registration, or the use to which it has been put, detrimental or does it take unfair advantage of the word seido, or of the complainant’s rights?
- 8.6** The facts demonstrate, in the dissenting Adjudicator’s view, that prior to the conclusion of the licence agreement virtually everything about Said’s use of the word seido was in the context of him ‘being’ the South African branch of the World Seido Karate Organization. Indeed, there is no reason why not; there was no dispute about “rights” in sight. This explains why the terms of the licence agreement have substance: cast in written form, they formalized what in any event appears to have been largely the *de facto* position between the two entities. Why else would Said so obligate himself?
- 8.7** Whilst a ventilation of the circumstances surrounding the conclusion of the licence agreement (including *vis a vis* the existence of Said’s trade mark and Heraldry registrations) is beyond the scope of the facts and the forum, as noted by the majority Panellists, a number of principles stand. First, such an explanation would be warranted if ambiguity existed in the document itself; then parol evidence could elucidate.²³ But there is no ambiguity; the agreement is common

²²

See the discussion by the Senior Adjudicator in <bikeandleisuretrader.co.za> ZA2008-0018, paragraph 4.5.

cause and its contractual terms are clear. So is the maxim *pacta sunt servanda* – contracts will be enforced. The point is not what could or could not validly have been licensed in South Africa, but the basket of obligations Said willingly accepted.

- 8.8** There is a further feature detracting from the import of the trade mark registration in the overall assessment. It had lapsed in 2001, being removed from the register in 2004. Simply put, at the time the dispute was lodged by the Complainant, the Registrant had no such registered trade mark rights. The further point to be made rests on the line of authority which holds that the subsequent restoration (some time after the Dispute lodgement) vested rights – *vis a vis* interested third parties, at least – probably only *ex nunc* and not *ex tunc*.²⁴
- 8.9** The registration of the domain was during the currency of the licence agreement. Whatever the status, import or validity of Said’s trade mark registration and heraldry registration, he had knowingly bound himself not to do such a thing. Claiming the domain is, at least prima facie, antithetical to the terms of the licence agreement as well as to the entire spirit of such an arrangement and, indeed, the Registrant’s position as a fee-paying, affiliated, branch within the World Seido Karate Organization.
- 8.10** As the majority Panellists have found, the licence agreement affords the Complainant rights in the mark ‘seido’; and, if this is so, regard must be had to the substance of such rights. This is to be found in the terms and conditions of the licence agreement, and registration of the domain was in breach of those terms and conditions. In the

²³ cf. Firestone South Africa (Pty) Ltd v Gentiruco AG 1977 (4) SA 298 (A) at 304D; in general, Zeffertt, Paizes & Skeen The South African Law of Evidence, Butterworths, (2003) at 322 *et seq.*

²⁴ See the discussion by Harms JA in Levi Strauss & Co. v Coconut Trouser Manufacturers (Pty) Ltd 2001 (2) SA 1285 SCA at paragraph [4] *et seq.*

dissenting Adjudicator's view, it was therefore unfairly detrimental to the Complainant's rights – even if only *ex contractu*.

- 8.11** However, an equally compelling reason to find that the domain is abusive is because it is being used in a misleading manner. It is common cause that “seido” is a particular style of karate. Unequivocally, it is different from the style that Said is now – and has been for four years – teaching. Apart from a personal belief in the philosophy encompassed in the ‘sincere way’, Said has no association or connection with seido, the style of karate and its practice.
- 8.12** A registration can be abusive “now” although not “then”²⁵ and this accords with basic principles. So, even if the initial registration was not abusive (which in the dissenting Adjudicator's view it was) it became so once Said turned its use to a different style of karate, in particular in a dojo which – even if only potentially – competes with existing World Seido Karate Organization dojos.
- 8.13** In Oki Data²⁶ and mercedeshop²⁷ it was accepted by the UDRP panellists that the registrant must be offering the actual goods or services ‘invited’ by the name. Moreover, the site must be used to sell only such goods; the potential for bait and switch was sufficient to constitute “abuse” whether, in practice, this was effected or not.²⁸
- 8.14** In the view of the dissenting Adjudicator, these principles commend application to the present situation. A not negligible number of the public, in South Africa and particularly internationally, would expect

²⁵ See www.nominet.org.uk/disputes/drs/abuse.

²⁶ WIPO D2001-0903.

²⁷ WIPO D2008-1712.

²⁸ Compare the dictum of Corbett CJ in Miele et Cie GmbH v Euro Electrical (Pty) Ltd 1988 (2) SA 583 (A) at 601 G-I : “.....Nothing is static in business...” See also One in a Million Ltd and Others v British Telecommunications PLC and Others [1999] FSR 1 CA. See also www.nominet.org.uk/disputes/caselaw/index/million/millionjudge where the decision is reproduced.

to find a site of the World Seido Karate Organization – or at least an affiliate organization – at the domain www.seido.co.za.

8.15 For these reasons, the dissenting Adjudicator finds that the domain is abusive and would have ordered its transfer.

9 **MAJORITY DECISION**

For the foregoing reasons, the majority of the Adjudication Panel finds that the initial Adjudicator came to the correct conclusion (save as overruled in respect of the question of *locus standi*) and the Appeal is therefore dismissed.

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C. K. JOB (SAIPL PRESIDING ADJUDICATOR)

.....
O. SALMON (SAIPL SENIOR ADJUDICATOR)

.....
D. BOUWER (SAIPL SENIOR ADJUDICATOR)