

ADJUDICATOR DECISION

CASE NUMBER: **ZA2009-0036**

DECISION DATE: **9 December 2009**

DOMAIN NAME/S: **oceanair.co.za
turbotravel.co.za
bolandtravel.co.za
exeltravel.co.za**

THE DOMAIN NAME REGISTRANT: **Nu-Com Systems (Pty) Ltd**

REGISTRANT'S LEGAL COUNSEL: **Roxo Law**

THE COMPLAINANT/S: **Oceanair Travel (Pty) Ltd
Turbo Travel (Pty) Ltd
Boland Travel Paarl (Pty) Ltd
XL Travel Holdings (Pty) Ltd**

COMPLAINANT'S LEGAL COUNSEL: **Webber Wentzel**

THE 2nd LEVEL DOMAIN NAME 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 "SAIIPL") on 07 September 2009. On 07 September 2009 the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue, and on 07 September 2009 UniForum SA confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute, together with the amendment to the Dispute, satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIPL's Supplementary Procedure.
- 1.2 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 07 September 2009. In accordance with the Regulations the due date for the Registrant's Response was 05 October 2009. The Registrant requested an extension and for the submission of the Response. The Registrant submitted its Response on the 12th of October 2009, 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 the 12th of October 2009.
- 1.3 In accordance with the Regulations the due date for the Complainant's Reply was 21st of October 2009. The Complainant submitted its Reply on the 20th of October 2009.
- 1.4 The SAIPL appointed Tana Pistorius as the Adjudicator in this matter on the 9th of November 2009. 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. The due date of the decision was the 27th of November 2009.

- 1.5 The Adjudicator requested a short extension on the 1st of December 2009. The decision was delivered on the 9th of December 2009.

2 **Factual Background**

- 2.1 There are four Complainants (respectively referred to as 1st Complainant, 2nd Complainant, 3rd Complainant and 4th Complainant). All four Complainants operate in the travel and hotel industries and they carry on business as travel agents.
- 2.2 1st Complainant is Oceanair Travel (Pty) Ltd, a company with limited liability, registered under number 1992/000897/07, whose principal place of business is at 9 Wellington Road, Parktown, Johannesburg.
- 2.3 1st Complainant has been trading continuously and uninterruptedly under the business name OCEANAIR since 1991 and it has used trade marks which incorporates the mark OCEANAIR since 1992.
- 2.4 2nd Complainant is Turbo Travel (Pty) Ltd, a company with limited liability, registered under number 1988/002137/07, whose principal place of business is at 25 Baker Street, 2nd floor, Corner of Baker and Cradock Streets, Rosebank, Johannesburg.
- 2.5 2nd Complainant has been trading continuously and uninterruptedly under the business name TURBO TRAVEL since its incorporation in 1988. The 2nd Complainant has also used trade marks in relation to its services which incorporated the mark TURBO TRAVEL since 1995.
- 2.6 3rd Complainant is Boland Travel Paarl (Pty) Ltd, a company with limited liability, registered under number 1984/001729/07, whose principal place of business is at Ou Tuin Centre, Corner Breda and Van der Lingen Streets, Paarl.

- 2.7 3rd Complainant's corporate name has been Boland Travel Paarl (Pty) Ltd since its incorporation. It has been trading continuously and uninterruptedly under the business name BOLAND TRAVEL since 1984 and it has used the trade mark BOLAND TRAVEL since 1999.
- 2.8 4th Complainant is XL Travel Holdings (Pty) Ltd, a company with limited liability, registered under number 2004/014447/07, whose principal place of business is at 106 Katherine Street, Sandown, Sandton, 2195.
- 2.9 4th Complainant was initially incorporated under the name Excel Travel Holdings (Pty) Ltd which forms a consortium of travel agencies of which the other Complainants are members. In August 2005 it changed its name from Excel Travel Holdings (Pty) Ltd to XL Travel Holdings (Pty) Ltd. The device mark XL TRAVEL is a registered trade mark in respect of travel services under trade-mark registration number 2005/17291.
- 2.10 4th Complainant has been trading continuously and uninterruptedly under the business name and trade mark XL TRAVEL since 2006 and it has also promoted its services under the trade mark EXCEL TRAVEL (as well as the services of 1st-3rd Complainants) up to August 2005. Members of the consortium promoted their travel services under their own trade names preceded by "Excel" and/or the Excel logo from 2004 up to August 2005 and subsequently by "XL" and/or the "XL" logo.
- 2.11 The Registrant is NU-COM Systems (Pty) Ltd, a company registered under number 1998/024363/07, whose principal place of business is Ground Floor, Stand 1, Riley Office Park, 15E Riley Road, Bedfordview.
- 2.12 On the 1st of September 2004 XL Travel Investments (Pty) Ltd and XL Travel Holdings (Pty) Ltd contracted with Trabusol (Pty) Ltd ("TBS"). TBS had to provide information technology services, hardware, software, and, in particular, Internet and website systems design and hosting.

2.13 TBS registered the disputed domain names in terms of the TBS Agreement. The domain name <turbotravel.co.za.> was registered for the 2nd Complainant on the 12th of May 2006. The domain name <bolandtravel.co.za.> was registered for the 3rd Complainant on the 9th of December 2005. The domain name <exceltravel.co.za> was registered for the 4th Complainant on the 4th of August 2004. The 1st Complainant registered the disputed domain name <oceanair.co.za.> on the 10th of April 2000. This domain name registration lapsed and it was registered by TBS on the 5th of August 2005. TBS was also requested to link the domain names to the websites that were developed for them.

2.14 TBS registered the disputed domain names in the name of NU-COM Systems (Pty) Ltd.

3 **Parties' Contentions**

3.1 **Complainant: Complaint**

3.1.1 It is alleged that the 1st Complainant has acquired a reputation and common law rights in the business name and the mark OCEANAIR and that the mark is exclusively associated, by the general public and the travel industry, with the 1st Complainant and its services.

3.1.2 It is alleged that the 2nd Complainant has acquired a reputation and common law rights in the business name and the mark TURBOTRAVEL and that the mark is exclusively associated, by the general public and the travel industry, with the 2nd Complainant and its services.

3.1.3 It is alleged that the 3rd Complainant has acquired a reputation and common law rights in the business name and the mark BOLANDTRAVEL and that the mark is exclusively associated, by

the general public and the travel industry, with the 3rd Complainant and its services.

- 3.1.4 It is alleged that the 4th Complainant has acquired a reputation and common law rights in the business name EXEL TRAVEL and the XL TRAVEL business name and the registered device mark and that these marks are exclusively associated, by the general public and the travel industry, with the 4th Complainant and its services.
- 3.1.5 The Complainants have requested the Registrant to rectify the domain name registrations referred to in 2.13 and 2.14 above to reflect the Complainants as the registrants of the respective domain names.
- 3.1.6 The Registrant refused to transfer the domain names and the domain names do not resolve to active web sites.
- 3.1.7 The names the 1st-4th Complainants have rights in are identical or similar to the domain names.
- 3.1.8 Mr. Jose Vilares is a director of both TBS and the Registrant and he was fully aware of the Complainants' rights in respect of the marks. The Registrant has no legitimate interest in any of the domain names.
- 3.1.9 The Registrant has used the domain names since they were registered in its name and it is impossible to conceive that there will be circumstances where the Registrant will have any legitimate use of the domain names.
- 3.1.10 The Registrant registered the domain names in its name with the intention of preventing the Complainants from using the domain names and to be able to disrupt the business of the Complainants

should the relationship between the Complainants and TBS break down.

3.1.11 The Registrant has suspended the Complainants' web sites and it is refusing to transfer the domain names until demands related to the TBS agreement are met. The Registrant is effectively holding the Complainants to ransom.

3.1.12 For all the above reasons the Registrant is using the domain names in a manner that is unfairly detrimental to the Complainants.

3.1.13 The Registrant acted in bad faith when it registered the domain names in its own name. It is acting in bad faith by refusing to transfer the domain names to the Complainants.

3.1.14 Regulation 4(1)(e) is also applicable as the domain names were registered as a result of the relationship between Mr Vilares and the Complainants. The Complainants paid for the registration of the domain names and the renewal fees and the Complainants have been using the domain names exclusively.

3.1.15 The Registrant is engaged in a pattern of making abusive registrations as it has systematically registered all of the Complainants' domain names as well as the EMBASSY domain name. Mr. Vilares also applied for the registration of the 4th Complainant's device mark in relation to travel services in class 38. He has also applied for the registration of a similar device in class 42.

3.1.16 The Registrant's holding of the domain names has a blocking effect and is preventing the Complainants from exercising their rights.

3.1.17 The domain names are abusive registrations and the adjudicator's decision in the Embassy dispute should serve as a precedent.

3.1.18 The Complainants request the transfer of the domain names as follows:

3.1.18.1 oceanair.co.za to the 1st Complainant;

3.1.18.2 turbotravel.co.za to the 2nd Complainant;

3.1.18.3 bolandtravel.co.za to the 3rd Complainant; and

3.1.18.4 exeltravel.co.za to the 4th Complainant.

3.2 **Registrant: Response**

3.2.1 The Registrant alleges that in terms of the Prescription Act 68 of 1969 the cause of action arose when the Registrant attended to the respective domain name registrations. As no process was initiated by the Complainants that could have interrupted prescription the cause of action of each of the four Complainants have therefore prescribed.

3.2.2 The 4th Complainant's trading name was changes from EXEL TRAVEL to XL TRAVEL after the Sasol Petroleum Group objected to the use of the mark EXEL. Consequently, the 4th Complainant does not have the right to use the name "EXEL TRAVEL". All use of this name took place before June 2005.

3.2.3 TBS and the Registrant are juristic persons and these companies' actions cannot be attributed to Mr. Jose Vilares. The Registrant avers that Mr. Vilares' shareholding in TBS is irrelevant.

3.2.4 The Registrant denies that the domain names are held hostage in order to achieve an advantage in the High Court action. The

Registrant notes that the domain names are relevant in determining the costing to be attributed to the web sites.

- 3.2.5 The Registrant notes that the adjudicator's decision in the Embassy dispute should not serve as a precedent as there are material and factual dissimilarities between the dispute at hand and the embassy dispute. Furthermore, the Registrant was not able to submit a reply to that dispute. Lastly, the Registrant proposed a settlement agreement in terms of which it agreed to transfer the domain name to the Complainant. The adjudicator's decision was substantially based on the terms as set out in the proposed settlement agreement.
- 3.2.6 The 1st Complainant's name is Oceanair Travel (Pty) Ltd and it has traded under the name "Oceanair Travel". The 1st Complainant is the Registrant of the domain name www.oceanairtravel.co.za and has thus not suffered any prejudice or loss of income by not being the registrant of oceanair.co.za. Furthermore, the OCEANAIR name is not secured by way of a registered mark.
- 3.2.7 The Registrant noted that "from a technical point of view" it would be necessary for the Registrant to register the domain name oceanair.co.za in its name "in order to allow for hassle free and seamless amendments by the registrants of the domain name" (par 140 of the Response). The Registrant also admits that the domain names were registered by the Registrant as they were "relevant to the project at the time" (par 142 of the Response) and "in line with commercial practice or on the instructions of its client" (par. 169 of the Response).
- 3.2.8 The Registrant claims that it has a legitimate interest in the domain names as it trades in the field providing *inter alia* IT

services to the travel industry (par. 148 of the Response) and cargo management software (par. 182(c) of the Response).

3.2.9 The Registrant avers that no relationship exists between the Complainants and Nu-Com systems (Pty) Ltd. Similarly, no relationship exists between Mr. Vilares, TBS, Nu-Com and the Complainants.

3.2.10 The Registrant tendered the transfer of the domain names turbotravel.co.za and bolandtravel.co.za.

3.3 Complainant: Response

3.3.1 In the Reply the 4th Complainant notes that its trading name was changed from EXEL TRAVEL to XL TRAVEL following discussions with Sasol after the Sasol Petroleum Group objected to the use of the mark EXEL. At no time did Sasol request the 4th Complainant to cease using the exeltravel.co.za domain name.

3.3.2 The Complainants point out that the Registrant has not denied the fact that Mr. Vilares is the common denominator between TBS and the Registrant, it has merely questioned the relevance of this fact. Mr. Vilares was a director of TBS, the Registrant, and the 4th Complainant. He was also the Chief Information Officer of the 4th Complainant and he was in a fiduciary position of trust in relation to the Complainants. The Complainants note that Mr Vilares played a central role. That would explain why the domain names were registered in the name of the Registrant if they were to be administered by TBS.

3.3.3 Furthermore, Mr Vilares made use of a Nu-Com e-mail address. The Complainants also pointed out that the Registrant itself

blurred the distinction between TBS, Mr. Vilares and the Registrant in paragraphs 142 and 169 of the Response.

3.3.4 The Complainants also pointed out that it is unnecessary from a technical point of view for an ISP to become the registrant and it is also against ISPA's rules.

4 Discussion and Findings

4.1 Point *in Limine*: Prescription

4.1.1 The Registrant avers that the Complaint must be set aside as three years have lapsed since the registration of the domain names. In *The Hebrew University of Jerusalem v. Alberta Hot Rods* WIPO Case No. D2002-0616 it was held that the UDRP Policy is part of the domain name registration agreement. The Administrative Proceeding is brought pursuant to that agreement, the issue for determination being whether the grounds set out in the Policy for the transfer or cancellation have been established. There is no limitation period in the Policy.

4.1.2 Other WIPO Panels have also confirmed that the doctrines of acquiescence or laches do not apply in UDRP proceedings (see *LIAT (1974) Ltd. v. Mark Armstrong*, WIPO Case No. D2006-1574; *McMullan Bros., Limited, Maxol Limited, Maxol Direct Limited Maxol Lubricants Limited, Maxol Oil Limited Maxol Direct (NI) Limited v. Web Names Ltd*, WIPO Case No. D2004-0078; and *Tax Analysts v. eCorp*, WIPO Case No. D2007-0040). The Panels noted that the fundamental difficulty for a respondent claiming laches or the like is that there is nothing in the Policy or the Rules that suggests that such a doctrine should apply. Nevertheless, the panel in *LIAT (1974) Ltd. v. Mark Armstrong*, WIPO Case No. D2006-1574 pointed out if a complainant delays the bringing of proceedings he will make matters more difficult for himself. First, there is the fact

that a complainant must prove not only bad faith use but bad faith registration. There is also the more general point that extensive delay without explanation may in certain circumstances result in adverse inferences of fact against a complainant (at par 6.5).

4.1.3 In the present case the Registrant's reliance on prescription must fail for three reasons. First, the domain name registration agreement incorporates the Regulations and the Supplementary Procedure. Neither the Rules nor the Supplementary Procedure refer to any time period within which a Complaint must be lodged against either the bad faith use of a domain name or a domain name registration made in bad faith. Secondly, persuasive international precedents referred to above, should be followed in this regard. Thirdly, even if reliance on prescription could be justified, the Registrant's argument will fail as the Complainants only became aware of the fact that the Registrant registered the domain names in its own name in August 2007.

The Adjudicator is of the opinion that the Complaint was lodged within a reasonable time and no adverse inference of fact is made against the Complainants.

4.2 **Registrant's Concession**

4.2.1 The Registrant has offered the transfer of turbotravel.co.za (to the 2nd Complainant) and bolandtravel.co.za (to the 3rd Complainant) as a gesture of goodwill. These two domain name registrations will not be considered. Accordingly, the discussion and findings will be limited to oceanair.co.za and exeltravel.co.za.

4.3 Complainant's Rights

4.3.1 The cornerstone of the Complainants' case is proof on a balance of probabilities that they have rights in the marks OCEANAIR TRAVEL and EXEL TRAVEL which are identical or similar to the domain names. Complainants' rights must exist at the date of the Complaint and not the registration date of the disputed domain names (see ZA2008-00020 *Mxit Lifestyle (Pty) Ltd v Andre Steyn* (p. 14)).

4.3.2 The 1st Complainant has attached copies of numerous documents wherein its extensive use of the business name and mark OCEANAIR and OCEANAIR TRAVEL since 1991 is illustrated. All of this is not in dispute, and, therefore, the Adjudicator finds it not necessary to traverse the body of material supporting the contention. As a matter of fact, the Adjudicator finds proven the reputation in the mark OCEANAIR, the ownership thereof by the 1st Complainant, and as a result the ownership by the 1st Complainant of rights as contemplated by Regulation 3(1)(a), thereby giving it *locus standi* to lodge this complaint.

4.3.3 1st Complainant has built up a reputation in the mark OCEANAIR TRAVEL. The Registrant argues that the 1st Complainant has not built up any reputation in the mark OCEANAIR. Is OCEANAIR TRAVEL identical or similar to "oceanair.co.za"? In the case of *Finter Bank Zurich v. Gianluca Olivieri*, WIPO Case No. D2000-0091 it was found that the complainant had rights in the mark FINTER notwithstanding that the complainant had registered the trademark FINTER BANK ZURICH. The panel went on to hold that BANK merely indicated the area of business activity of the complainant and ZURICH the geographic location of the head offices. As a consequence the panel went on to find that "finter.com" and "finter.org" were confusingly similar to FINTER BANK ZURICH. Similarly, even if 1st Complainant's common-law

rights are in respect of OCEANAIR TRAVEL, "oceanair.co.za" will be deemed to be identical or similar to oceanair.co.za.

4.3.4 In 2005 the 4th Complainant's trading name was changed from "EXEL TRAVEL" to "XL TRAVEL" after the Sasol Petroleum Group objected to the use of the mark EXEL. The 4th Complainant has rights in relation to the business name and mark XL TRAVEL. It has used the business name since 2005 and it also registered a device mark "XL" in relation to travel agency activities. The 4th Complainant has no rights in relation to the mark EXEL TRAVEL as it ceased using it in 2005. The mere fact that Sasol did not request the 4th Complainant to cease using the exeltravel.co.za domain name does not mean that they have the right to use the domain name.

4.3.5 The next question to consider is whether the 4th Complainant's device mark is similar to the domain name exceltravel.co.za. 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."

4.3.6 Similarly, in *Cream Holdings Limited v National Internet Source Inc* WIPO Case No. D2001-0964 the Panel held that the test for confusing similarity under the Policy is confined to a consideration of the disputed domain name and the trade mark as registered (see also WIPO Case No. D2005-0828 (*Packet Clearing House Inc v Howard Lee*) and WIPO Case No. D2001-0565 (*The Curvon Corporation v Lauren Kallareou, The Tack Box*)).

4.3.7 The Adjudicator finds, on a balance of probabilities, that the XL trade mark logo is neither identical nor similar to the disputed domain name "exceltravel.co.za". It follows that the 4th Complainant has failed to prove both elements required by Regulations 3(1)(a) and therefore the Dispute in respect of "exceltravel.co.za" must fail.

4.4 **Abusive Registration**

4.4.1 The domain name "oceanair.co.za" was acquired in a manner which, at the time when the acquisition took place, took unfair advantage of or was unfairly detrimental to the 1st Complainant's rights. TBS transferred the disputed domain name to NU-COM Systems (Pty) Ltd.

4.4.2 The transfer of the domain name has disrupted unfairly the business of the 1st Complainant.

4.4.3 The domain name has been used in a manner that is unfairly detrimental to the 1st Complainant's rights.

4.4.4 Regulation 4(1)(e) is also applicable as the domain name was acquired by NU-COM Systems (Pty) Ltd as a result of the relationship between TBS and the 1st Complainant. The 1st Complainant paid for the registration of the domain name and the renewal fees and the 1st Complainant had been using the domain name exclusively before it was acquired by the Registrant.

5 Decision

- 5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders the following:
- 5.1.1 The domain name, "oceanair.co.za" be transferred to the 1st Complainant.
 - 5.1.2 The domain name, "turbotravel.co.za" be transferred to the 2nd Complainant.
 - 5.1.3 The domain name, "bolandtravel.co.za" be transferred to the 3rd Complainant.
- 5.2 For the foregoing reasons, the Dispute for the transfer of the domain name "exeltravel.co.za" to XL Travel (Pty) Ltd is refused.

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TANA PISTORIUS
SAIIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za