

LEGAL UPDATE

World intellectual property organisation rules in favour of Capitec Bank Limited

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WIPO has ordered the transfer of the top-level domain name capitec.com to Capitec Bank Limited (“Capitec”).

This ruling is pursuant to a complaint lodged with WIPO on behalf of Capitec. The domain name complaint process for top-level domains is governed by the uniform dispute resolution policy (“UDRP”) adopted by the internet corporation for assigned names and numbers (“ICANN”).

Background

Capitec, established in South Africa on 01 March 2001, is the world’s best bank according to the Lafferty Bank Quality Ratings. Capitec’s first trade mark applications were filed in South Africa in August 2000 and Capitec is the registrant of over seventy six generic and country code domain names.

The disputed domain name, capitec.com, resolved to an active site, which at various times hosted links to categories or services relating to the banking services offered by Capitec. The landing page had a for sale banner offering to sell the domain for US\$16 128.00.

The Respondent registered capitec.com recently due to the failure to renew capitec.com by the initial registrant, Capitec, Inc., California (unrelated to Capitec) who registered the domain name on 8 August 1999.

The date of original domain name registration preceded the establishment of Capitec and the filing of its trade marks, negating *locus standi* at that time.

Grounds and Findings

In terms of the UDRP the Complainant must show that:

- The domain name is identical or confusingly similar to a trade mark or service mark in which the complainant has rights;
 - The panel found that Capitec is the proprietor of the mark CAPITEC, the entirety of the CAPITEC trade mark owned by Capitec is included in the disputed domain name and that the addition of (.com) general top-level domain (gTLD) is not distinctive;
- The domain name holder has no rights or legitimate interest in the domain name;
 - The panel found that the use of the domain name could not be bona fide or legitimate since the landing page resolved to further pages containing links to unrelated third party websites on a pay-per-click basis, designed to be misleading to internet users searching for the complainant instead of fair commercial use;
- A domain name has been registered and is being used in bad faith by the domain name holder.
 - In terms of paragraph 4(b)(i-iv) there are four non-exclusive criteria for the complainant to show bad faith registration and use of domain names:
 - Circumstances indicating that you (respondent) have registered or have acquired the disputed domain name primarily for the purpose of selling, renting or otherwise transferring the disputed domain names to the complainant who is the owner of the trade mark or service mark or to a competitor of the complainant for valuable consideration in excess of your documented out of pocket costs directly related to the disputed domain name; or
 - You (respondent) have registered the disputed domain name in order to prevent to the owner of the trade mark or service mark, reflecting mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
 - You (respondent) have registered the disputed domain name primarily for the purpose of disrupting the business of a competitor; or
 - By using the disputed domain name, you (respondent) have intentionally attempted to attract, for commercial gain, internet users to your website or other online location, by creating a likelihood of confusion with the CAPITEC mark as to the source, sponsorship, affiliation or an endorsement of your website or location of a product.
 - As the principle use of the domain name was to host a website creating a likelihood of confusion for its own commercial purposes or tarnishing the Capitec mark, the Panel found that Capitec had demonstrated bad faith in terms of Section 4 (iv).

Attain and Enforce Your Rights

Managing domain name registrations is onerous and costly for brand owners with nearly two thousand top-level domain names now available for registration. Once the sunrise or priority period for trade mark owners to register a domain name has passed, domain name registration is granted on a first-come first-served basis.

It is imperative to register and maintain your trade marks as a brand owner and secure important domain names, albeit defensively.

Capitec’s continued success is a consequence of its extensive trade mark portfolio and repute.

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