

**DISPUTE RESOLUTION SERVICE**

**D00015237**

**Decision of Independent Expert**

Pepkor UK Limited

and

Mr John Chambers

**1. The Parties:**

Lead Complainant: Pepkor UK Limited  
128 Wigmore Street  
London  
W1U 3SA  
United Kingdom

Respondent: Mr John Chambers  
Apartment 2  
12 Point Pleasant  
London  
SW18 1GG  
United Kingdom

**2. The Domain Name:**

pepkor.co.uk

**3. Procedural History:**

I can confirm that I am independent of each of the parties. To the best of my knowledge and belief, there are no facts or circumstances, past or present, or that could arise in the foreseeable future, that need be disclosed as they might be of a such a nature as to call in to question my independence in the eyes of one or both of the parties.

19 December 2014 16:50 Dispute received  
22 December 2014 12:50 Complaint validated  
22 December 2014 12:54 Notification of complaint sent to parties  
13 January 2015 01:30 Response reminder sent  
16 January 2015 11:14 Response received  
16 January 2015 11:14 Notification of response sent to parties  
21 January 2015 01:30 Reply reminder sent  
26 January 2015 11:47 Reply received  
26 January 2015 11:49 Notification of reply sent to parties  
26 January 2015 11:49 Mediator appointed  
29 January 2015 12:48 Mediation started  
13 February 2015 14:50 Mediation failed  
13 February 2015 14:51 Close of mediation documents sent  
20 February 2015 10:30 Expert decision payment received

#### **4. Factual Background**

The Pepkor Group is a retail investment group established in 1965 in South Africa which owns retail chains in a number of countries. On 16 April 2014 Pepkor UK Limited was incorporated in England and Wales under the Companies Act 2006. The fact that a limited company had been incorporated with the name Pepkor UK was reported in a press article on 7 June 2014.

The Respondent is an individual who registered the Domain Name on 7 June 2014. The Domain Name is currently directed to a parking page.

#### **5. Parties' Contentions**

For the purposes of this section, the Expert has summarised the contentions of the parties but only insofar as they are relevant to the issues that fall to be determined under the DRS Policy. The Complaint contains allegations of bad faith and passing off but these are not matters for the Expert. At this stage, the Expert is making no findings of fact or passing any comment in relation to the contentions summarised below. The discussions and findings in relation to the evidence appear in section 6 below.

##### **5.1 Complainant**

The Complaint, so far as is material, is summarised below.

##### Rights

The Pepkor Group was established in 1965 and is a leading retail group based in South Africa with trading operations in eleven African Countries, Australia and Eastern Europe.

The Pepkor UK Group of Companies was incorporated on 16 April 2014, as a subsidiary of the Pepkor Group, to manage corporate activity in the United Kingdom and support the Pepkor Group in making strategic acquisitions and investments in growing segments of the UK retail market.

The Pepkor Group owns an unregistered trade mark and associated goodwill for the mark Pepkor. The Pepkor Group has made extensive use of that mark in connection with the advertising, promotion and sale of various products and services. As a result, it has established substantial worldwide reputation and goodwill which attaches to the mark.

### Abusive Registration

The Domain Name is identical or confusingly similar to the mark Pepkor in which the Complainant has rights. The Respondent has no rights or legitimate interest in the mark Pepkor.

The Domain Name was registered on 7 June 2014. This is the same day that an article appeared in the Mail Online reporting on the incorporation of Pepkor UK. The Domain Name has been used in connection with a parking site.

The Domain Name was registered to take unfair advantage of the Pepkor brand and for the purpose of making an unauthorised profit out of the mark, causing Pepkor unfair disruption.

The Complainant sent letters by special delivery to the Respondent's home address on 14 July, 8 August and 24 October 2014. Two of the letters were returned unopened and the third was not.

On 13 October 2014 Nominet confirmed by email that the Respondent's address had been validated and confirmed as a real address. The Complainant issued a Complaint under the DRS Policy, as the Respondent ignored all attempts to contact him.

The Complainant seeks a transfer of the Domain Name.

## **5.2 Respondent**

The Response, so far as is material, is summarised below.

The Respondent was awarded a contract in February 2014 by the Department of Health (NHS) to launch an online health awareness programme in the UK for the eventual roll out of PEP (post-exposure prophylaxis) on a daily basis to at risk individuals. PEP is a course of anti HIV medication.

The Domain Name was registered on 7 June 2014. Pepkor is made up of “PEP” which stands for post-exposure prophylaxis and “kor” which is a Hebrew term for “a unit of measurement”, which relates to the number of courses for the treatment.

The Respondent started a due diligence review on 7 June 2014 to see if there was a conflict of interest in using the name Pepkor in the UK. The Respondent searched at Companies House but could not find a company registered with the name Pepkor. On the same day, the Respondent searched the Intellectual Property Office and did not find a registered trade mark for Pepkor.

The Respondent subsequently found out that Pepkor was registered at Companies House with registration number 09127609 on 7 July 2014, which was a month after the registration of the Domain Name. Pepkor changed its name to Pepkor UK Retail Ltd on 30 October 2014.

The Respondent carried out a search using Google to see if there were any companies with the same name in the UK but he only found a company in South Africa called Pepkor Holdings. On 19 June 2014 the Respondent tried to make contact with Mr Christo Wiese, the CEO of Pepkor, via Ben de Kock who put him in contact with his PA but she did not get back to the Respondent.

The Respondent first received correspondence from Pepkor via Nominet on 22 December 2014. Two attempts at contact by email were made by the Respondent but both were met with out of office replies. The Respondent contacted Mark Elliot on 22 December 2014 and received a reply the following day stating that Pepkor would like to buy the Domain Name for £250.00.

The Respondent contacted outlaw.com, a legal firm, and was advised that he had concurrent rights to the Domain Name and that registration of any URL is on a first come first serve basis. Simply because Pepkor has a registered trade mark or service mark, has a registered company name, or has been using a company name for a lengthy period of time does not mean that another person with a legitimate reason for registering the Domain Name and using it in good faith must give it up.

The Respondent is using the Domain Name for public education regarding the use of PEP to prevent HIV in at risk individuals. This is in the public interest at large and the Domain Name has not been used in bad faith.

The Respondent expresses concern that he is being bullied out of his legitimate registration of the Domain Name by Pepkor UK Retail’s attempt at Reverse Domain Name Hijacking.

Attempts to resolve the matter with Pepkor UK Retail have been made by the Respondent by email and on 15 January 2015 it was agreed that a telephone conference call would be arranged, but it had not taken place by the time of submitting the Response on 16 January, and the matter has not been resolved.

### 5.3 Reply

The Reply, so far as is material, is summarised below.

#### The Pepkor UK Group of Companies

If the Respondent had done his due diligence on 7 June 2014, as he suggests, then he would have seen that Pepkor UK Limited had already been incorporated at Companies House. The chronology of company registrations is as follows:

- Pepkor UK Limited (company number 9000588) was incorporated on 16 April 2014 and changed its name on 19 November 2014 to Sapphire 117 Limited.
- Sapphire 117 Limited (company number 09127615) was incorporated on 11 July 2014 and changed its name on 19 November 2014 to Pepkor Limited.
- Pepkor Limited (company number 09127609) was incorporated on 11 July 2014 and changed its name on 19 November 2014 to Pepkor UK Limited.
- Pepkor UK Retail Limited (company number 09288913) was incorporated on 30 October 2014.

The Respondent has not corresponded with Pepkor UK Limited by letter even though the business address is clear from the details registered at Companies House.

#### Inconsistencies regarding the Respondent's address

The address provided for the Respondent, when he registered the Domain Name, was Apartment 2, 12 Point Pleasant, London, SW18 1GG. On 13 October 2014 Nominet's Customer Services Department confirmed by email that this address had been validated and was a real address. However, in an email from the Respondent dated 19 June 2014 the address is given as 145 Barker Drive, London, NW10 0JZ.

#### Claim of bullying

The Respondent has suggested that Pepkor UK Retail is bullying him out of a legitimate registration of the Domain Name and making an attempt at Reverse Domain Name Hijacking. Pepkor UK Retail Limited has nothing to do with the Complaint which relates to the holding company, Pepkor UK Limited.

On 21 July 2014 Lara Payne requested a domain backorder in an attempt to reach the Respondent to make him aware that the Complainant wanted to communicate with him about the Domain Name. The Complainant then tried to contact the Respondent by the only means available which was by using the address contained on the WHOIS report. The Complainant tried to contact the Respondent by letter on 14 July 2014, 1 August

2014 and 24 October 2014. After five months with no contact from the Respondent, the Complainant invoked the Nominet DRS Policy. These are hardly the actions of a company attempting to bully someone out of a domain name.

#### Attempts to resolve the matter

In a letter dated 14 July 2014 the Complainant offered a financial incentive of £250.00 in an attempt to obtain a transfer of the Domain Name. The Complainant referred to this amount in a subsequent email and the Respondent's response was that he had spent up to £25,000.00 so far in his campaign. This further supports the contention that this is a money making exercise and a factor suggesting it is an Abusive Registration. The Respondent has provided no proof that he incurred these charges.

#### Department of Health Contract

The Respondent has provided no evidence to support his claim that he was awarded a contract by the Department of Health to launch an online health awareness programme for the eventual roll out of PEP. Without evidence of the existence of this contract, the Respondent cannot show that he has made preparations to use the Domain Name for a legitimate business and it appears that he has created this assertion to defeat claims that this is an Abusive Registration.

#### Use of the Domain Name

The Respondent claims that he is using the Domain Name in good faith for public education regarding the use of PEP to prevent HIV in at risk individuals, but he has produced no evidence, in the form of web pages or otherwise, to support this claim.

#### Reference web pages

The web pages the Respondent refers to in the Response include an article on the web site at <businessinsider.com>. This article discusses the value of domain names to a business, argues in favour of investing in domain names and claims that there is no such thing as domain name squatting. The fact that the Respondent chose to refer to this article suggests that this Domain Name is an Abusive Registration because it indicates that he had an unfair motive in registering and continuing to hold the Domain Name, in particular that he registered it with the primary purpose of selling it to the Complainant for more than he paid for it.

## **6. Discussions and Findings**

In order for the Complainant to succeed it must prove to the Expert, on the balance of probabilities, that:

“it has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

the Domain Name, in the hands of the Respondent, is an Abusive Registration.”

The meaning of “Rights” is defined in the Policy in the following terms:

“Rights means rights enforceable by the Complainant, whether under English law or otherwise, and may include rights in descriptive terms which have acquired a secondary meaning.”

An Abusive Registration is defined in the Policy as follows:

“Abusive Registration means a Domain Name which either:

was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; or

has been used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights.”

A non-exhaustive list of factors which may be evidence of an Abusive Registration is set out in paragraph 3 of the Policy. A non-exhaustive list of factors which may be evidence that the Domain Name is not an Abusive Registration is set out at paragraph 4 of the Policy.

### **Complainant's Rights**

The evidence shows that Pepkor UK Limited was incorporated by Companies House on 16 April 2014. It is unlikely that the mere registration of a company name at Companies House would of itself give rise to any rights for these purposes. However, the Complaint is put on the basis that the Pepkor Group has acquired unregistered rights in the name Pepkor through extensive use of that name in connection with the advertising, promotion and sale of various products and services. The Complainant says that the Pepkor Group was established in 1965 and is a leading retail group based in South Africa with trading operations in eleven African countries, Australia and Eastern Europe. It further says that Pepkor UK Limited was incorporated to manage corporate activity in the United Kingdom and support the Pepkor Group in making strategic acquisitions and investments in growing segments of the UK retail market.

The Complainant has not adduced much in the way of evidence in support of the claim to unregistered rights in the name Pepkor beyond the certificate of incorporation of Pepkor UK Limited. The only additional evidence is a copy of an article that appeared in the Mail Online on 7 June 2014. The article includes the following statements:

“South African retail billionaire Christo Wiese has set up a British shell company to prepare to launch a series of takeovers of stores groups.

The company, Pepkor UK, is named after Wiese’s retail investment group Pepkor which owns leading retail chains across the globe.

Any acquired chains would be reversed into the Pepkor UK shell and would then become part of the wider Pepkor network which extends from South Africa to Nigeria, Australia and Poland.

Bond [the head of the British operation] ... is hoping to utilise Pepkor’s group enormous buying power to be able to price goods competitively in the UK’s notoriously tough retail sector.”

The article is evidence that the Pepkor Group is a substantial retail investment business, both in terms of scale and geographical reach. As the Experts’ Overview makes clear, it is possible to rely upon overseas rights as there is no geographical restriction for these purposes.

The article is also evidence that Pepkor UK was set up in anticipation of the launch of a corporate acquisition programme in the UK and it was to be part of the wider Pepkor network. It would have been preferable to join the entity that owns the unregistered rights in the Pepkor brand as a Complainant but those rights do appear to be used by the wider network of the Pepkor Group, which includes the Complainant.

The rights test is intended to be a relatively low level test and the objective is simply to demonstrate a *bona fide* basis for making the Complaint. The Respondent does not seek to deny that the Complainant has rights in the name Pepkor. He says he carried out a due diligence exercise which did not reveal the existence of a company or registered trade mark under the name Pepkor in the UK but it did reveal the existence of a company in South Africa called Pepkor Holdings. He puts his case on the basis that he has concurrent rights in the name Pepkor.

The Expert is satisfied, on the balance of probabilities, that the Complainant has rights in the name Pepkor as it is part of the wider Pepkor Group which uses the Pepkor name. The Expert finds that the name Pepkor is identical to the Domain Name. The Complainant has therefore satisfied the Rights test.

## **Abusive Registration**

### Nature of the word Pepkor



The word Pepkor is not an English word in common usage. It is not a generic term or prima facie descriptive of the goods and services of the Complainant. As far as the Expert can tell, it is a distinctive term intended to denote the business of the Pepkor Group.

The Respondent decided to use precisely the same term when he registered the Domain Name. The Respondent explains his choice of the term Pepkor by saying that it stands for:

- (i) PEP which is an acronym for post-exposure prophylaxis; and
- (ii) Kor which is a Hebrew term for “a unit of measurement” which relates to the number of courses for the treatment.

The Respondent does not say in express terms that he had no prior knowledge of the Pepkor brand when he registered the Domain Name but that is the clear implication from the way that he has presented his case. He says that he conducted a due diligence exercise to see if there was a conflict of interest in using the name Pepkor in the UK and that this exercise did not reveal a conflict. He is, in effect, inviting the Expert to accept that Pepkor is an invented two word combination arrived at without knowledge of any rights in that name. The Respondent therefore says that he had a legitimate reason to register and use the Domain Name and he believes the Complaint is an attempt at Reverse Domain Name Hijacking.

The Complainant rejects the Respondent’s explanation for his choice of the word Pepkor as an assertion that has been created simply to defeat the Complaint. The Complainant points out that the Respondent has not produced any evidence to support his case as to legitimate use. It argues that, in response to the press article confirming Pepkor’s intention to launch in the UK, the Respondent acted opportunistically and registered the Domain Name, which is identical to its unregistered mark, on the same day. The Complainant argues that the Domain Name was registered primarily to obtain an inflated price for the Domain Name or to unfairly disrupt the Complainant’s business.

The Complainant has raised a strong prima facie case that the Domain Name is an Abusive Registration. It is therefore necessary to consider the evidence that goes to the issue of the Respondent’s motivation when he registered the Domain Name and the subsequent use to which the Domain Name has been put.

#### Motivation for registration

In order to provide some context for his choice of the two word combination Pepkor, the Respondent says that he was awarded a contract by the Department of Health in February 2014 to launch an online health awareness programme for the eventual roll out of PEP to at risk individuals. This is a point that he makes both in the Response and in email exchanges with the Complainant after the Complaint had been issued. This case, if made out on the evidence, could bring the Respondent within paragraph

4(a)(i)A of the Policy and may therefore be an adequate answer to the prima facie case of abuse.

Paragraph 4(a)(i)A of the Policy states as follows:

“Before being aware of the Complainant's cause for complaint (not necessarily the 'complaint' under the DRS), the Respondent has used or made demonstrable preparations to use the Domain Name or a domain name which is similar to the Domain Name in connection with a genuine offering of goods or services.”

The Experts' Overview contains the passage set out below which explores the evidence that is required in order to demonstrate preparations to use:

“Most abusive registrants do not respond to complaints, but those who do will commonly assert the existence of plans, which are designed to defeat the complaint. Experts will generally view purported 'plans' which are totally unsupported by any contemporaneous evidence with a heavy measure of scepticism.

Accordingly, if the registrant has genuine plans for the domain name, arrived at wholly without reference to the rights of the Complainant, it makes sense for the registrant to produce evidence to show that they are genuine and were not dreamt up simply to defeat the complaint. The more straightforward the registrant's case, the less that the Expert is likely to need in the way of supporting evidence. However, any evidence produced should sensibly include evidence pre-dating the registrant's awareness of the Complainant's rights. Failing that, the evidence may not be worth a lot, but a credible explanation for the absence of any such evidence may assist.

The usual evidence will comprise correspondence with third parties (banks, lawyers, partners etc) in which the plans are identified.”

The Respondent has not produced any evidence in support of his claim that he registered the Domain Name in connection with the planned launch of an online health awareness campaign relating to PEP. He has not explained in the Response why he has not produced any evidence, although he alludes to the fact that it is “a sensitive matter to members of public” in an email dated 12 January 2015.

The only documents he has produced, that he says are relevant to the use of the word Pepkor in the Domain Name, are as follows:

- A screen shot of a page taken from the web site at <nhs.co.uk> which discusses whether PEP (post-exposure prophylaxis) can stop someone from developing an HIV infection. The Respondent has saved this screen shot under the file name “Use of the URL [www.pepkor.co.uk](http://www.pepkor.co.uk).”

- A screen shot from a page taken from the web site at <yourdictionary.com> which, under the sub-heading “Origin of kor”, states: “Hebrew ‘kôr’, from Akkadian *kurru*, from Sumerian *gur*, a unit of measurement.”

These documents support the Respondent's case that PEP is a recognised acronym for post-exposure prophylaxis and that the origin of the word “kor” was a Hebrew word for a unit of measurement. However, they do not lend any support to the assertion that the Respondent was, prior to acquiring knowledge of the Pepkor brand, engaged in preparations to use the word Pepkor in connection with a genuine offering of goods or services.

The Respondent has referred to two URLs at the foot of the Response which are said to be web pages that support the dispute. The first is a general guidance note about domain name disputes written by Pinsent Masons and last updated in March 2008. The guidance note points out that domain names have become precious commodities. It also says that simply because a third party has a registered trade mark, or has been using a name for a lengthy period of time, does not mean that another person with a legitimate reason for registering the domain name must give it up. This is very similar to a passage that the Respondent has used in the Response.

The other URL links to a web page headed “Why \$10,000 for a domain name is still cheap.” The writer of the article, which appears to be from 2011, suggests that a domain name can be worth any amount but most domain names sell for around \$5,000 to \$20,000 and some domain names command a higher value.

### Use of the Domain Name

The Respondent says that, not only had he made preparations to use the Domain Name for a legitimate purpose, he did in fact use the Domain Name for that purpose. He puts his case in these terms:

“I am using the domain name for public education regarding the use of PEP to prevent HIV in at risk individuals, this is in the public interest at large and I have not used the [Domain Name] in bad faith.”

He has produced no evidence to show that he has used the Domain Name for any purpose other than by directing it at a parking page. Certainly, the link provided by Nominet takes the Internet visitor to a parking page.

### Other points

There are a number of other points that may be relevant to the question of the Respondent's motivation when he registered the Domain Name.

In an email from the Respondent dated 12 January 2015 there is a different explanation for the choice of the word Kor. The email includes the following passage:

“I have been working with the Department of Health here in the UK building a campaign to roll out PEP (post-exposure prophylaxis) on a permanent basis to at risk individuals in late Spring 2015. Thus PEPKOR URL would be PEP (post-exposure prophylaxis) and the kor denotes the steps needed to take to get onto PEP.”

This is to be contrasted with the statement in the Response that Kor is a unit of measurement which relates to the number of courses for the treatment.

The Complainant indicated in a letter sent to the Respondent before it launched the Complaint that it was prepared to pay £250 for the Domain Name. The letter was returned unopened. The Complainant made further reference to the offer of £250 in a subsequent email to the Respondent and asked, if that sum was not acceptable, for the Respondent’s proposal. In his email in reply dated 13 January 2015 the Respondent stated as follows:

“Because Pepkor have opened a dispute with Nominet I cannot be seen to be requesting payment for the URL. However, I have spent just under £25,000 on this project to date and will basically have to start from scratch with a new name etc.”

The email goes on to state that, if no agreement is reached, then “unfortunately both parties will be locked into months of arbitration and neither party will be able to carry on business.” This email does not amount to an offer to sell the Domain Name for £25,000 but it is clear that it was couched in order to avoid being seen as a direct request for payment of a particular amount. It does however suggest the Respondent had no desire to resolve the matter for the sum of £250 and one can only assume the reference to sunk costs of £25,000 was designed to elicit a higher offer without requesting a specific amount. The Respondent has referred the Expert to the article referred to above that suggests some domain names have significant value. The Respondent has not provided any evidence that he spent any money on the project which he claims was the legitimate reason behind the registration of the Domain Name.

The Respondent says that he started a due diligence exercise on the same day that he registered the Domain Name to see if there was a conflict in using the name Pepkor in the UK. He says he could not find any company registered with the name Pepkor. The Complainant has produced a copy of the Certificate of Incorporation which shows that Pepkor UK Limited was incorporated on 16 April 2014. Pepkor UK Limited did change its name to Sapphire 117 Limited on 19 November 2014. However, as at the date the Respondent says he checked at Companies House (which was 7 June 2014), the company would have still been registered under the name Pepkor UK Limited. The Respondent was either rather careless in his inspection of the public register or he did not carry out the due diligence exercise as he suggests.

Finally, the Respondent has not expressed any comment on the article that appeared in the Mail Online. He does not say that he read it or that he did not read it. He is simply silent on the point made about the article in the Complaint. If one accepts the Respondent's explanation then it was simply a matter of coincidence that he happened to register the term Pepkor on the very same day that it was revealed publicly that the Pepkor Group was planning to launch a series of takeovers of stores groups in the UK and had set up a company called Pepkor UK for that purpose.

As indicated above, the Complainant has raised a strong prima facie case of abuse. Whilst there was no obligation on the Respondent to respond, he decided to do so. He has advanced a case but failed to provide any evidence in support of his main claims which are that he had plans to use the Domain Name for a genuine offering and that he has used the Domain Name for that purpose. Without any supporting documentation, those claims lack any real credibility. In addition, the Expert has had regard to the following features that have been established on the evidence:

- The distinctive nature of the word Pepkor.
- The mark and Domain Name are identical.
- The Domain Name was registered on the same day that the press article appeared.
- The Respondent has put forward two differing explanations for his choice of the word kor.
- The fact the Respondent made an unsubstantiated claim to having spent just under £25,000 on the project.
- The fact that Pepkor UK Limited was incorporated prior to the date the Respondent says he carried out his due diligence exercise, which involved checking at Companies House.

The Complainant has to prove that the Domain Name was registered, or has been used, in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's rights. The response from the Respondent is wholly inadequate as an attempt to defeat a strong Complaint. On that basis, the Expert is satisfied that the Domain Name is an Abusive Registration.

## **7. Decision**

For the reasons set out above, the Expert is satisfied on the balance of probabilities that the Complainant has rights in a name which is identical to the Domain Name and the Domain Name is, in the hands of the Respondent, an Abusive Registration. The Expert directs that the Domain Name is transferred to the Complainant.

**Signed Andrew Clinton**

**Dated 26 March 2014**