

ADMINISTRATIVE PANEL DECISION

Sun International (South Africa) Limited v. Jason Klitzner
Case No. D2023-3433

1. The Parties

The Complainant is Sun International (South Africa) Limited, South Africa, represented by Adams & Adams Attorneys, South Africa.

The Respondent is Jason Klitzner, South Africa.

2. The Domain Name and Registrar

The disputed domain name <suncitywaterworld.com> is registered with NameSilo, LLC (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on August 11, 2023. On August 11, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On August 11, 2023, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent (Mr NA Klitzner, Sun City Waterworld) and contact information in the Complaint. The Center sent an email communication to the Complainant on August 16, 2023 providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on August 24, 2023.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on August 30, 2023. In accordance with the Rules, paragraph 5, the due date for Response was September 19, 2023. The Response was filed with the Center on September 17, 2023.

The Center appointed Archibald Findlay SC as the sole panelist in this matter on October 10, 2023. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

On October 18, 2023, Administrative Panel Procedural Order No. 1 was issued to the parties pursuant to paragraphs 10(a) and 10(b) of the Rules. In terms whereof, the Panel requested clarification from the Respondent on submissions made by him (by October 23, 2023), and requesting the Complainant to submit any comments thereon (by October 27, 2023).

The Panel received the Respondent's initial submission and subsequent correspondence on October 19, 2023, and, on October 20, 2023, the Complainant's reply thereto was received, followed the same day by further correspondence from the Respondent. Subsequent correspondence was received from the Complainant, on October 23, 2023.

4. Factual Background

The Complainant is a wholly owned subsidiary of Sun International Limited and part of the Sun International Group. The Sun International Group is a South African resort hotel and casino chain founded by the entrepreneur, Sol Kerzner which specializes in gaming, hospitality and accommodation services and has a market capitalization of approximately USD 1.4 billion. It enjoys a 42.5 per cent share of the South African casino market.

Over a period of three decades, the group has invested more than USD 1.5 billion in new tourism infrastructure in South Africa. It employs some 10,000 people, has indirectly created 50,000 new employment opportunities in the broader tourism industry, and its business is estimated to have a direct impact on the livelihood of more than 500,000 people in southern Africa.

The Complainant owns and operates the internationally renowned SUN CITY resort and is the proprietor of the well-known trademark SUN CITY. The SUN CITY trademark was first used by the Complainant in 1979, in relation to its SUN CITY casino and resort in South Africa's North West province. The SUN CITY resort is unique, due to its combination of features, including five accommodation options, casino facilities, bars, restaurants/cafes, a timeshare vacation club, concert and conference venues, two world class golf courses, retail outlets, the largest permanent maze in the southern hemisphere, the valley of the waves, and a waterpark. It is a major tourist attraction that is well-known internationally.

The Complainant's well-known trademark SUN CITY is registered in various classes, covering a wide range of goods and services, in various jurisdictions. In particular, the Complainant, has put up evidence that it is the proprietor of, *inter alia*, the following relevant South African trademark registrations for SUN CITY which are valid and in force: (i) 1978/05176 SUN CITY in class 16, registered on December 14, 1979; (ii) 1978/05178 SUN CITY in class 35, registered on December 14, 1979; (iii) 1978/05183 SUN CITY in class 41, registered on December 14, 1979; (iv) 1978/05184 SUN CITY in class 42, registered on December 14, 1979; (v) 1980/03233 SUN CITY in class 28, registered on May 16, 1984; (vi) 1983/06956 SUN CITY in class 42, registered on September 14, 1984.

The Complainant has also registered its SUN CITY trademark in many jurisdictions worldwide, including in Australia, the European Union, France, Germany, the United Kingdom, Italy, Lesotho, Botswana, China, Columbia, Mozambique, Norway, New Zealand, and Panama. In some territories, the mark is registered in the name of the Complainant's IP holding company, Sun International (IP) Limited.

In addition to its various trademark registrations, the Complainant has registered various SUN CITY domain names, namely <suncity.co.za>, <suncity.africa>, and <suncity.club> from which it is apparent that the Complainant makes prominent and extensive use of its SUN CITY trademark.

The disputed domain name was registered on April 14, 2023, and wholly incorporates the Complainant's well-known SUN CITY trademark; it does not resolve to any active website.

The registration of the disputed domain name came to the attention of the Complainant while addressing the registration of another domain name. The Complainant lodged a complaint with WIPO (*Sun International (South Africa) Limited v. NA Klitzner, Sun City Waterworld*, WIPO Case No. [D2023-1181](#)) and the Registrant was ordered to transfer the domain name <suncitywaterworld.africa>.

At the outset, the Complainant pointed out that the company of the Respondent has been operating the water world situated on the Complainant's premises and that it has, in this regard, occupied the lake and surrounding areas which form part of the Complainant's Sun City Resort.

Both parties admit that there is ongoing and pending litigation between them in the High Court of South Africa following the cancellation of the certain agreements between the parties. The parties are awaiting a hearing date to be allocated.

5. Parties' Contentions

A. Complainant

The Complainant's earliest registrations for its SUN CITY trademark date back to 1978, decades before the disputed domain name was registered and confirm the Complainant's long-standing statutory rights in its trademark. The Complainant asserts that it is also taking legal steps to address the registration of various South African entities, as well the disputed domain name which incorporate its trademark SUN CITY.

As to the first element of the Policy (confusing similarity), the Complainant contends that the disputed domain name is confusingly similar to the Complainant's trademark because the substantive portion ("suncity") of the disputed domain name is identical to the Complainant's SUN CITY mark. The Complainant further contends that the additional portion of the disputed domain name (*i.e.*, "waterworld") is a generic, non-source-identifying word.

As to the second element of the Policy (no rights in the mark), the Complainant contends that the disputed domain name was registered to the Respondent only this year and that, while the Respondent's company was once a licensee of the Complainant, that relationship has concluded and, at no point in time, did the business relationship between the parties, entitle the Respondent to register or use the disputed domain name or any other domain or website incorporating the Complainant's SUN CITY trademark, without the Complainant's authorization. Finally, the Complainant contends that the Respondent lacks rights in and is not making a legitimate noncommercial or fair use of the disputed domain name which currently resolves to an inactive website.

As to the third element of the Policy (bad faith), the Complainant contends that the Respondent undoubtedly had knowledge of its rights to the SUN CITY trademark due to previous business dealings. The Complainant submitted that the Respondent acted in bad faith when registering the disputed domain name, especially considering the fact that the Respondent had been operating a water park located within the Complainant's Sun City Resort, regulated over the years by a number of agreements, but that the terms of these agreements support the Complainant's assertion that the Respondent was never authorized or entitled to register any domain incorporating the Complainant's SUN CITY trademark.

B. Respondent

As to the first element of the Policy, the Respondent does not dispute the Complainant's ownership rights in the SUN CITY mark.

However, as to the second element of the Policy, the Respondent contends that his company had a close and mutually beneficial business relationship with the Complainant's founder, Sol Kerzner, and that the company name incorporating the Complainant's mark was originally registered with his approval and authorization in February, 1981.

The Respondent further contends that the disputed domain name was in use and was the company's official website until 2016 when it was changed to <suncitywaterworld.co.za>. In addition, the company's hosting company maintained the disputed domain name on its profile until it was re-registered. As a result, the Respondent contends that he possesses legitimate rights with respect to the disputed domain name.

6. Discussion and Findings

A. Substantive Elements of the Policy

Paragraph 15(a) of the Rules requires that:

"A Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 4(a) of the Policy directs that the Complainant must prove each of the following:

- (i) That the disputed domain name registered by the Respondent is identical or confusingly similar to a trademark or a service mark in which the Complainant has rights.
- (ii) That the Respondent has no rights or legitimate interests in respect of the disputed domain name.
- (iii) That the disputed domain name has been registered and is being used in bad faith.

Paragraph 4(b) of the Policy sets out four illustrative circumstances or acts which would, for the purposes of paragraph 4(a)(iii) above, be evidence of the registration and use of a domain name in bad faith. These are non-exclusive.

Similarly, paragraph 4(c) of the Policy sets out three illustrative circumstances which would demonstrate the Respondent's rights or legitimate interests in the disputed domain name for the purpose of paragraph 4(a)(ii) of the Policy.

B. Identical or Confusingly Similar

The Complainant has provided sufficient evidence showing that it is the owner of the SUN CITY mark. The disputed domain name and the Complainant's trademark are not identical. Therefore, the issue is whether the disputed domain name and the Complainant's mark are confusingly similar.

The disputed domain name combines three elements: (i) the Complainant's SUN CITY trademark; (ii) the suffixes "waterworld"; and (iii) the suffix ".com".

The relevant comparison to be made is with the second-level portion of the domain name only (*i.e.*, “suncitywaterworld”), as it is well-established that a top-level domain name (*i.e.*, “.com”) should be disregarded for this purpose. (*TPI Holdings, Inc. v. LaPorte Holdings*, WIPO Case No. [D2006-0235](#); *Playboy Enterprises International, Inc. v. John Taxiarchos*, WIPO Case No. [D2006-0561](#); *Allstate Insurance Company v. Rakshita Mercantile Private Limited*, WIPO Case No. [D2011-0280](#).)

The fact that the word mark SUN CITY has been incorporated entirely into the disputed domain name is sufficient to establish that it is identical or confusingly similar to the Complainant’s registered trademark (*Quixtar Investments, Inc. v. Dennis Hoffman*, WIPO Case No. [D2000-0253](#); *Universal City Studios, Inc. v. David Burns and Adam-12 Dot Com*, WIPO Case No. [D2001-0784](#); *Lilly ICOS LLC v. John Hopking / Neo net Ltd.*, WIPO Case No. [D2005-0694](#); *AT&T Corp. v. William Gormally*, WIPO Case No. [D2005-0758](#); *SOCIÉTÉ DES PRODUITS NESTLÉ SA v. Mustafa Yakin / Moniker Privacy Services*, WIPO Case No. [D2008-0016](#).)

For the foregoing reasons, this Panel finds that the disputed domain name is confusingly similar to the Complainant’s SUN CITY mark, in which the Complainant has established rights. Therefore, the Panel finds that the Complainant has proven the first element of the Policy.

C. Rights or Legitimate Interests

Under the Policy, paragraph 4(c), legitimate interests in domain names may be demonstrated by showing that:

- (i) before any notice of this dispute, the Respondent used, or demonstrably prepared to use, the disputed domain name or a name corresponding to the disputed domain names in connection with a *bona fide* offering of goods or services;
- (ii) the Respondent has been commonly known by the disputed domain name, even if no trademark or service mark rights have been acquired; or
- (iii) the Respondent is making a legitimate noncommercial or fair use of the disputed domain names, without intent for commercial gain to misleadingly divert customers or to tarnish the trademark at issue.

The Complainant has failed to provide sufficient evidence showing that the Respondent has no rights or legitimate interests in respect of the disputed domain name because the Respondent’s company has previously used the disputed domain name in connection with a *bona fide* offering of goods.

Although the Complainant contends that the Respondent is not licensed by the Complainant or otherwise authorized to use the Complainant’s mark, it has furnished portions of two contracts between itself and the Respondent’s company bearing the names “Sun City Waterworld (Pty) Limited” and “Sun City Waterworld cc”, respectively.

The Respondent has conversely submitted that the name “Sun City Waterworld” was registered 42 years ago due to the fact that operated within the bounds of the “Sun City” resort and has enjoyed undisturbed use of that name until recently.

Accordingly, the Panel finds it sufficiently plausible the Respondent’s claim that authorization existed as early as 1981 and submits that the Complainant has failed to disprove the Respondent’s contentions.

The submissions of both parties suggests that this case involves a business dispute that is beyond the scope of and not appropriate for a proceeding under the Policy but rather is more appropriately handled in a national court. (*Luvilon Industries NV v. Top Serve Tennis Pty Ltd.*, WIPO Case No. [DAU2005-0004](#) (denying transfer where respondent had previously been distributor for complainant’s goods and noting that the UDRP’s purpose “is to combat abusive domain name registrations and not to provide a prescriptive code for resolving more complex trademark disputes.”) (See also *Pelikan Vertriebsgesellschaft mbH & Co. KG v.*

Pelikan Iran, WIPO Case No. [DIR2010-0005](#); *The <Thread.com>, LLC v. Jeffrey S. Poploff*, WIPO Case No. [D2000-1470](#); *Int. Lasy Ltd. v. Cameleon Informatique et Robotique Inc.*, WIPO Case No. [D2003-0701](#); *Miele, Inc. v. Absolute Air Cleaners and Purifiers*, WIPO Case No. [D2000-0756](#); *Urbani Tartufi s.n.c. v. Urbani U.S.A.*, WIPO Case No. [D2003-0090](#); *Magic Marine v. Randall Ames and Aquata USA, LLC*, WIPO Case No. [D2002-0991](#); *Celebrity Signatures International, Inc. v. Hera's Incorporated Iris Linder*, WIPO Case No. [D2002-0936](#); *Milwaukee Electric Tool Corporation v. Bay Verte Machinery, Inc. d/b/a The Power Tool Store*, WIPO Case No. [D2002-0774](#).)

For the foregoing reasons, the Panel finds that the Complainant has not shown that the Respondent lacks rights or legitimate interests in respect of the disputed domain name. Therefore, the Panel finds that the Complainant has failed to prove the second element of the Policy.

D. Registered and Used in Bad Faith

Although the Complainant has failed to meet the second element of paragraph 4(a), this Panel analyzes the third element, bad faith, for the sake of completeness.

The third element of paragraph 4(a) requires proof of two facts: (i) that the Respondent registered the disputed domain name in bad faith; and (ii) that the Respondent is using the disputed domain name in bad faith. (*Guildline Instruments Limited v. Anthony Anderson*, WIPO Case No. [D2006-0157](#).)

Determining whether the Complainant can satisfy the first factual predicate, that the registration is in bad faith, is challenging in this case because the original date on which the Respondent registered the disputed domain name is not provided. However, as discussed above, the Respondent very likely registered the disputed domain name some time during the existing contractual relationship between the parties. As *Schneider Electronics GmbH v. Schneider UK Ltd.*, WIPO Case No. [D2006-1039](#), recognized:

“[W]here the parties have entered into and maintained a long-standing commercial relationship, Panels tend to impose on the Complainant a heavier burden of proof for bad faith, generally requiring more comprehensive evidence than that which may be necessary in the typical dispute between unrelated adversaries. At a minimum, the Complainant must provide full disclosure of the history of the relationship, and in particular, the relevant agreements and contractual terms which have governed their joint enterprise. Allegations of bad faith aimed at a former distributor or licensee can only be properly understood in the full context of their prior history.”

Allegations of bad faith aimed at a former distributor or licensee can only be properly understood in the full context of their prior history. It is also important to bear in mind that the Policy was designed to prevent cases of cybersquatting and it cannot be used as a means to litigate broader disputes involving domain names. (*The <Thread.com>, LLC v. Jeffrey S. Poploff*, WIPO Case No. [D2000-1470](#); *Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No. [D2001-0903](#); *Schneider Electronics GmbH v. Schneider UK Ltd*, WIPO Case No. [D2006-1039](#).)

Here, the Complainant contends that the Respondent is not authorized to use the Complainant's SUN CITY mark. However, the Complainant does not comprehensively address whether the Respondent's company may previously have had such authorization. The Complainant has not included full copies of the contracts concluded between it and the Respondent's company or copies of the application presently pending in the High Court. Essentially, neither of the parties has fully substantiated their assertions in either the annexures to the application or the subsequent replies to Administrative Panel Procedural Order No. 1.

Taking the above evidence into consideration, this Panel finds that the Complainant has failed to establish that the Respondent acted in bad faith when he registered the disputed domain name. Even if the Complainant could establish that the Respondent's current use of the disputed domain name is unauthorized and in bad faith, this alone is insufficient to satisfy the third element under paragraph 4(a).

Therefore, this Panel concludes that the Complainant has failed to establish either the second or third elements under paragraph 4(a).

E. Contractual Relationship/Complexity of the Matter

In analyzing this case, the Panel noted that the Complainant and the Respondent had a prior contractual relationship whereby the Complainant appears to have permitted the Respondent to offer products under the Complainant's trademark, SUN CITY. Were this a relatively simple contractual relationship based on a single document that was fully before the Panel, with both parties in agreement as to its validity, the Panel might be inclined to interpret that document in the context of a routine analysis pursuant to the Policy.

However, in this case, the Complainant has presented the Panel with only portions of two agreements between the parties (Annex 13 of the Complaint): two separate documents titled "Agreement of Lease". Upon examination of the portion of these documents submitted and taking into consideration the differing contentions of the parties, certain issues present themselves immediately to the Panel. This situation draws the Panel's attention because paragraph 4(c)(ii) of the Policy allows the Respondent to establish rights or legitimate interests in the disputed domain name if the Respondent was commonly known by that name prior to the instant dispute between the two parties. Given these contractual circumstances, how is the Panel to determine exactly how "Sun City" came to be an integral part of the Respondent's name?

The Complainant asserts that the contractual agreements between the parties have been terminated but admits that the parties are awaiting a hearing date to be allocated on the matter in the High Court of South Africa. Under these circumstances, how is the Panel to conclude if the matter has been effectively settled? Moreover, in its review of the papers, the Panel noted the contentions of the Complainant and the Respondent above, but finds it unclear as to whether the contractual relationship has been formally severed given that the Respondent is still in situ and still utilizing the company name "Sun City Waterpark" up to the date of the filing of the Complaint. If so, has this been with or without the Complainant's (at least tacit) permission?

Finally, the Complainant claims that the Respondent has no right to own or use the disputed domain name but seems in the past to have acquiesced in the Respondent's ownership and use of the name "Sun City Waterpark", the latter name also appearing to be confusingly similar to both the disputed domain name and the Complainant's trademark. The Panel wonders how this apparent contradiction is explainable in the context of the parties' business relationship.

The evidentiary and direct examination limitations inherent under the Policy do not permit the Panel to adequately address the questions and concerns raised above. As a result, the Panel finds that adjudicating the contractual complexities and business relationship between the parties in this case is beyond the Panel's purview and the scope of a UDRP proceeding, which is designed instead to address circumstances of abusive cybersquatting. Therefore, the Panel believes that the dispute between the parties can only be decided in a more comprehensive forum. (See *Clinomics Biosciences, Inc. v. Simplicity Software, Inc.*, WIPO Case No. [D2001-0823](#) ("Prior decisions have rejected complaints where the dispute is primarily contractual and therefore outside the scope of the [P]olicy.") (See also *Pelikan Vertriebsgesellschaft mbH & Co. KG. v. Pelikan Iran*, WIPO Case No. [DIR2010-0005](#); *Summit Industries, Inc. v. Jardine Performance Exhaust Inc.*, WIPO Case No. [D2001-1001](#) ("This case involves contractual interpretation issues...It is not an appropriate situation for the application of the UDRP.")).

Again, as noted above, it is not apparent to the Panel, given the various agreements and unclear termination letter, the exact contractual relationship between the Complainant and the Respondent and whether that relationship has been terminated for all purposes.

Furthermore, it seems that the various disputes between the parties essentially resolve to the Respondent's company's right to use the Complainant's trademark SUN CITY in its name. These issues are clearly beyond the purview of the Panel and should be addressed in litigation.

7. Decision

For the foregoing reasons, the Complainant's request to transfer the disputed domain name is denied.

/Archibald Findlay SC/

Archibald Findlay SC

Sole Panelist

Date: November 3, 2023