



Journal of Information, Law & Technology

## **.za Alternative Dispute Resolution Regulations: The First Few SAIPL Decisions**

Professor Tana Pistorius  
Department of Mercantile Law  
University of South Africa  
[pistot@unisa.ca.za](mailto:pistot@unisa.ca.za)

**Lex Informatica Conference, 21<sup>st</sup> -23<sup>rd</sup> May 2008  
Pretoria, South Africa**

This is a **refereed article** published on 08 January 2009.

Pistorius, T., ‘.za Alternative Dispute Resolution Regulations: The First Few SAIPL Decisions’, 2008(2) *Journal of Information, Law & Technology (JILT)*, <[http://go.warwick.ac.uk/jilt/2008\\_2/pistorius1](http://go.warwick.ac.uk/jilt/2008_2/pistorius1)>

## Abstract

This article discusses the emerging case law on the .za ADR procedure. The analysis illustrates that the ADR process has obviated reliance on the cumbersome, expensive and often ill-afforded litigation procedures. A few inconsistent decisions have been rendered by the SAIPL panel of adjudicators, notwithstanding international precedents. The diverging national decisions are mostly due to interpretational differences. A greater level of certainty will emerge with the advantage of experience and the availability of a searchable database of national decisions. Notwithstanding these criticisms, the .za ADR process offers rights holders an effective means to address abusive .co.za domain name registrations.

## Keywords

Domain names; trade marks; .za ADR; cyber squatting; abuse; reverse domain name hijacking

## 1 South African Domain Name Administration & Zadna<sup>1</sup>

South Africa's domain name system has grown very informally since the Internet made its first appearance in the country in 1980s when the .za domain-name space was administered by UNINET (Vecciatto, 2007). The idea that an independent Domain Name Authority be established for South Africa was first raised in a discussion paper in 1999. The next year this was formally raised as a governmental policy in the Green Paper (2000) of the Department of Communications <<http://www.ecomm-debate.co.za>>. The proposal was met with disbelief and it was vehemently opposed by the Namespace ZA (2002), the industry stakeholder. The South African government remained convinced that its involvement in the .za DNS was crucial for the emerging information economy. The government believed that the policy-formulation process in the ICT arena should be inclusive of all stakeholders. The view was also expressed that the new economy, like all other free-market economies, is not perfect and therefore requires the government's intervention, particularly in the formulation of policy, to extend services to both public institutions and citizens who wish to access such services (Green Paper, 2000).

The South African Government enacted its policy with the establishment of the .za Domain Name Authority (Zadna) as a section-21 company in the Electronic Communications and Transactions Act, 2002 (s. 59). The objects, powers, and matters incidental to the incorporation of the company are provided for in sections 59-67 of the ECT Act. The Minister is empowered to establish a national policy concerning the .za DNS (s. 68). The Authority is responsible for administering and managing the .za domain name space in compliance with international best practices and to licence and regulate registries and registrars. The Authority must also publish guidelines on the general administration and management of the .za domain name space and facilitate and maintain public access to a repository (s. 65; Marx, 2004, pp 125-127).

On 18 May 2007 Zadna assumed responsibility for the administration and management of the .za domain-name space <<http://www.zadna.org.za>>. Since its inception the Zadna has

---

<sup>1</sup> This paper draws on an earlier work, Pistorius, 2008, pp 222-.224; pp 229-237.

focused its efforts on developing suitable policies and procedures for improved management of the .za domain space (Vecchiato, 2007). On 30 July 2007 the ZADNA's policies and procedures were published <[www.zadna.org.za/policy/za.policy.and.procedures.20070802-GM.pdf](http://www.zadna.org.za/policy/za.policy.and.procedures.20070802-GM.pdf)>. In terms of these policies a single registry model must be adopted and role-players will be invited to apply for licences as registry operators and registrars.

At present, several organisations administer the various .za second level domains. For instance, .co.za is administered by UniForum and .org.za by Internet Solutions. The .mil.za, and .gov.za SLDs are respectively administered by the South African National Defence Force, the State IT Agency. Other SLDs are administered by private individuals. A major concern is the SLD administrators' infrastructure to support public domain names. When the licensing regime is introduced the ZADNA will administer these domains. However, the ZADNA has yet to promulgate licensing regulations with clear technical requirements (Du Toit, 2007).

## 2. .za Domain Name ADR Procedure

South Africa's Alternative Dispute Resolution (ADR) Regulations <<http://www.domaindisputes.co.za/downloads/AlternativeDisputeResolutionRegulations.pdf>> were promulgated in November 2006 in terms of section 69 read with section 94 of the ECT Act. Domain name ADR procedures are necessary due to the fact that a lack of harmonisation between the Domain Name System and trade mark law has allowed a number of illegal practices to emerge, including the deliberate, bad-faith registration of well-known trade marks as domain names, a practice known as "cyber squatting" (*British Telecommunications Plc v. One in a Million Ltd* (1998) FSR 265; see generally Singleton, 2003, pp14-30; Ramappa, 2003, pp7-33). As will be seen below, the South African Alternative Dispute Resolution (ADR) Regulations enable the accredited providers to effectively deal with cyber squatting <<http://www.domaindisputes.co.za/downloads/AlternativeDisputeResolutionRegulations.pdf>>. One of the very first adjudications dealt with the bad-faith registration of the well-known name of the South African telecommunications provider (ZA2007-0003, *Telkom SA Ltd v. Cool Ideas CC* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0003.pdf>>). A dispute may also arise where the registrant registers a domain name incorporating a well-known mark without the proprietor's permission for purposes of expressing criticism or appreciation ("gripe" or "fan" sites) (refer to the "Citroën decision for the legitimacy of a "fan site" below).

Apart from blatant cyber squatting or cyber griping, genuine disputes may also arise (Smith, 2002, p76). The first of such genuine disputes is where the same mark is used by different persons in respect of different goods and services. For example, where two companies have independent, legitimate rights to a name, such as an American company that sold tennis racquets under the name "Prince", and an English company that sold software under the name "Prince" (*Prince v. Prince Sports Group* 1998 FSR 2; Halberstam et al., 2002, p103; *World Wide Fund for Nature v. World Wrestling Federation Entertainment Inc*, Court of Appeal 27 February 2002, *Times Law Report* 12 March 2002; Murray, 1998, p 285). The second type of "genuine dispute" is where the use of a "split mark" is in dispute. Here the same mark is owned and used by different persons for different territories in relation to the same goods or services (Smith, 2002, p 176). As will be seen below, and "genuine disputes" have been dealt with by the .za ADR provider.

The South African ADR Regulations were largely based on ICANN's Uniform Dispute Resolution Policy (UDRP) <<http://www.icann.org/udrp/udrp-policy-24oct99.htm>> and the United Kingdom's domain name procedures <<http://www.nominet.org.uk/disputes/drs/decisions>>. The Regulations are intended to resolve disputes over .za domain names registered under the .co.za sub-domain. This sub-domain primarily registers domain names of commercial (profit-making) entities. Previously, the only possible action which could be taken against the unauthorised registration of a co.za domain name was to institute court proceedings for trade mark infringement in South Africa (Greenberg, 2004, p 45). The .za ADR, like the UDRP, is an efficient alternative to court litigation (see generally, Motion, 2005, p 148; Christie, 2000; Donahey, 1999; Wilbers, 1999, p 273; Ryan, 2001, pp 27-30; Hurter, 2000, pp 199-208; Pistorius, 2008, p 237).

The Regulations stipulate the administrative process which should be followed in lodging a co.za dispute. First, an ADR provider accredited by the Authority to resolve co.za domain name disputes must be selected. A party wishing to declare a co.za domain name dispute can do so by using one of the accredited ADR providers. Currently, South Africa has two accredited ADR providers, AFSA <<http://www.domaindisputes.co.za>> and SAIPL <<http://www.domaindisputes.co.za>>.

A registrant must submit to proceedings under the rules if a complainant asserts, in accordance with the procedure, that the complainant has rights in respect of a name or mark which is identical or similar to the domain name and, in the hands of the registrant the domain name is an abusive registration (reg. 3(1)).

An "abusive registration" is defined as a domain name which either took unfair advantage of or was unfairly detrimental to the complainant's rights at the time when the domain name was registered; or a domain name which has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights (reg. 1). Under paragraph 4(a) (iii) of the UDRP Policy <<http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>> a domain name holder must both register and use a domain name in bad faith in order for the conduct to amount to an abusive registration. The .za ADR Regulations, like the Australian .auDRP <<http://www.auda.org.au/policies/auda-2008-01/>> requires either bad faith registration or subsequent bad faith use of the domain name. Bradfield (2001, p 234) argues that this proscribes "passive warehousing" of domain names simply to prevent companies or third parties from registering such domain names. The practical effect of the difference is minimal as panels have nevertheless interpreted the "and" to mean "or" (Bradfield, 2002, p 234).

Regulation 1 provides that an "offensive registration" means a domain name in which the complainant cannot necessarily establish rights but the registration of which is contrary to law, *contra bonos mores* or is likely to give offence to any class of persons. This means that the applicant can base its dispute on the grounds that the registered domain name is offensive on the grounds of religion, ethnicity, race, gender or incitement to cause harm. The introduction of the concept of an offensive registration is unprecedented.

"Rights" and "registered rights" are not a closed list of rights but include intellectual property rights, commercial, cultural, linguistic, religious and personal rights protected under South African law (reg. 1). This broad approach is advantageous and it follows that business names will also fall within the list of "rights" (Bradfield, 2001, p 234).

Factors, which may indicate that the domain name is an abusive registration is listed in regulation 4(1) (a) and includes circumstances indicating that the registrant has registered or otherwise acquired the domain name primarily to-

- (i) sell, rent or otherwise transfer the domain name 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 his, her or its rights.

A registration may also be deemed to be abusive where circumstances indicate 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 (reg. 4(1) (b)). The corresponding UDRP Policy paragraph 4(b) (iv) is much narrower as it is restricted to intentional attempts to attract, for commercial gain, Internet users to the registrant's web site or other on-line location.

Evidence, in combination with other circumstances indicating that the domain name in dispute is an abusive registration, that the registrant is engaged in a pattern of making abusive registrations will also point to an abusive registration (reg. 4(1)(c)), whereas the corresponding paragraph in the UDRP Policy provides that the complainant must show that the registrant has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that he has engaged in a pattern of such conduct. Other factors include the provision of false or incomplete contact details provided in the "whois" database, or a relationship between the complainant and the registrant, where the complainant has (i) been using the domain name registration exclusively; and (ii) paid for the registration or renewal of the domain name registration (reg. 4(1)(d)-(e)). Note that this is not a "closed list" of factors, similarly to the approach adopted in the UDRP and the .auDRP (Bradfield, 2001, p 234).

As noted above, an offensive registration may be indicated if the domain name advocates hatred that is based on race, ethnicity, gender or religion and/or that constitutes incitement to cause harm (reg. 4(2)). This ground for the cancellation of a domain name is of South African origin. A rebuttable presumption of abusive registration arises if the complainant proves that the registrant has been found to have made an abusive registration in three or more disputes in the 12 months before the dispute was filed (reg. 4(4)).

Regulation 5 sets out factors, which may indicate that the domain name is not an abusive registration. Where the domain name is identical to the mark in which the complainant asserts rights, the burden of proof shifts to the registrant to show that the domain name is not an abusive registration (reg. 5(d)). The relevant circumstances or factors must have existed before the registrant was aware of the complainant's cause for complaint. For example, the registrant must be able to show that she has used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services. The domain name will also not be an abusive registration if the registrant can show she was commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name. Lastly, the domain name will not be an abusive registration if the registrant

can show that she has made legitimate non-commercial or fair use of the domain name (reg. 5(a)). Fair use of a domain name that is being used generically or in a descriptive manner will also defeat a claim of abusive registration (reg. 5(b)).

Regulation 27 provides that the adjudicator must decide the Dispute on the documents placed before her. Adjudicators' decisions are guided by national, foreign and international laws (reg. 13(2)). Regulation 13(1) provides that an adjudicator must consider and must be guided by previous decisions of other adjudicators (national decisions) and decisions by foreign dispute resolution providers (foreign decisions). An adjudicator must provide in his or her decision the full reference to national and foreign decisions as well as national, foreign and international law that he or she considered (reg. 13(3)).

Foreign decisions are routinely followed in the .za ADR proceedings. The WIPO Arbitration and Mediation Centre is internationally recognised as the leading dispute-resolution service provider in these areas (Greenberg, 2004, p.43). The WIPO decisions are based on the UDRP <<http://www.wipo.int/amc/en/domains/search/index.html>> and they are followed closely in most .za ADR adjudications. Other foreign decisions that are followed emanates from the National Arbitration Forum (NAF) decisions based on the UDRP <<http://domains.adrforum.com/decision.aspx>>, the Nominet UK (.uk) decisions based on the .UK DRS <<http://www.nominet.org.uk/disputes/drs/decisions>>, and the decisions from New Zealand <<http://dnc.org.nz/drs/index.php?clsid=1013>>.

Regulation 9 sets out the possible decisions pursuant to a dispute before an adjudicator. In the case of a complaint regarding an abusive registration the adjudicator can refuse the dispute or the transfer of the disputed domain name to the complainant. In the case of a complaint relating to an offensive registration the adjudicator can refuse the Dispute or order the deletion of the domain name and prohibit future registration of such a domain name. The last possible decision is the adjudicator's refusal of the dispute as the dispute constitutes reverse domain name hijacking.

### **3. Brief Overview of the First SAIPL Decisions**

Although two providers have been accredited, only the SAIPL has to date rendered decisions on domain name disputes under the ADR Regulations. The SAIPL ADR decisions are published on-line at <<http://www.domaindisputes.co.za/content.php?tag=6>>. To date twenty three decisions have been published and one decision is currently pending. The 80% success rate of .za complainants mirrors the success rate of the WIPO panels. Accusations of impartiality and pro-trade-mark tendencies have been raised against the WIPO panels (Bradfield, 2001, p 237). Sharrock (2001, p 838) notes that accusations that UDRP panellists are biased have been, at a minimum, significantly exaggerated. The fact remains that the SAIPL panels' high success rate may give raise to similar unfounded perceptions.

Several factors complicate the matter for panellists who have a limited time within which to come to a decision. These factors include the lack of national precedents and limited experience on the part of adjudicators. A few inconsistent decisions have been rendered by the SAIPL panel of adjudicators, notwithstanding their high level of competency and adequate training. These inconsistencies resulted mostly due to interpretational differences. A higher level of consistency will develop as more disputes are adjudicated. The level of

consistency of adjudications will also be enhanced once a searchable database of national decisions becomes available.

### 3.1 Rights of the Complainant

Regulation 3(1)(a) requires the complainant to prove, on a balance of probabilities, that she has rights in respect of a name or mark which is identical or similar to the domain name and that the domain name is an abusive registration. In ZA2008-00016, *Aqua Divers International (Pty) Ltd v. Divetek (Pty) Ltd* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00016.pdf>> the adjudicator held that the phraseology "rights in respect of" is conceptually broader than "rights to a mark" (ZA2008-00016, p 11). In this case the adjudicator held that the complainant can claim commercial rights in respect of MARES and DACOR, pursuant to a distribution agreement (ZA2008-00016, p 12).

The .za adjudications have refined the principles applicable to complainants' rights to unregistered trade marks and the scope of trade-mark rights in the disclaimed features of a device mark. The most contentious issue is the time when a complainant's rights must be established.

#### 3.1.1 Common-law Marks

The complainants' rights to unregistered trade marks arose in the first complaint under adjudication, ZA2007-0001 (*Mr. Plastic Mining and Promotional Goods v. Mr Plastic CC*) <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0001.pdf>>. In this case the complainant averred that the registration and use of the disputed domain name infringed the common-law rights he held in the unregistered trade mark "MR PLASTIC". The adjudicator held that a claim of passing-off by the complainant, if sustained, would render the domain name in dispute and its use by the registrant an abusive registration (ZA2007-0001, p 11). The complaint was dismissed as both the complainant and the registrant used the disputed name and they both had acquired concurrent rights to the name (Viljoen, 2007).

In ZA2007-0009 (*Holistic Remedies (Pty) Ltd & Amka Pharmaceuticals (Pty) Ltd v. Oxygen for Life (Pty) Ltd*) <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0009.pdf>> the adjudicator qualified this principle. In this case it was held that the case of ZA2007-0001 should not be interpreted that it established a burden of proof that a complainant would be successful in a passing-off case. The complainant is required to illustrate, on a balance of probabilities, that it has a goodwill and reputation protectable by way of passing off action (ZA2007-0009, pp 13-14). It is submitted that the approach in ZA2007-0009 is correct, as it is only necessary to establish a "right" in a name for the purposes of the domain name ADR. It would thus suffice if the first requirement for a passing off action, namely goodwill and reputation in the name, is established.

The adjudicator in ZA2007-0001 noted that it is trite that the more descriptive a name or mark is the less it is inherently adapted to distinguish the goods or services of a particular trader from those of another (ZA2007-0001, p 14; see also *Reddaway v. Banham* (1886) RPC 218, 224). A name or mark, which is inherently lacking in distinctiveness, can acquire distinctiveness through extensive use. Mere use and a reputation does not equate with distinctiveness (*Bergkelder Bpk v. Shoprite Checkers (Pty) Ltd* 2006 (4) SA 275 (SCA)). It

must be shown that the consequence of the use and reputation has brought about a situation where the name or mark has acquired a "secondary meaning" which in fact denotes one trader, and no other. Relevant evidence of such "secondary meaning" may include evidence related to length and amount of sales under the mark. The nature and extent of advertising, consumer surveys and media recognition is also relevant (D2000-0575, *Uitgeverij Crux V W Frederic Isler Skattedirektoratet v. Eivind Nag*; D2000-1314, *Amsec Enterprises, LC v. Sharon McCall*; D2001-0083, *Australian Trade Commission v. Matthew Reader*; D2004-0322, *Transfer Imperial College v. Christophe Dessimoz*).

In ZA2007-0008 (*Homefront Trading 272 CC v. Ward*) <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0008.pdf>> the complainant was the registrant of the domain name private-sale.co.za and the disputed domain name was privatesale.co.za. The adjudicator held that the complainant had not established a protectable right in the descriptive words "private-sale" and the dispute was refused (ZA2007-0008, p 18). In reaching this conclusion, the adjudicator considered various Nominet and WIPO decisions. He noted that caution should be exercised in doing so because, in the United Kingdom, "rights" are more narrowly defined and specifically exclude a name or term which is wholly descriptive of the complainant's business, whereas the UDRP requires the complainant to establish a "legitimate interest" in a domain name (ZA2007-0008, p 15). The adjudicator noted that despite these differences, the general approach adopted by WIPO and the Nominet panels has been that, where domain names are wholly descriptive, rights or a legitimate interest can only be established where sufficient use has been made of the name to have given rise to the acquisition of a "secondary meaning" (ZA2007-0008, p 16).

The adjudicator noted that the complainant's ownership of the domain name private-sale.co.za is part of his commercial or personal rights, which obviously include the right to trade freely without unlawful interference or competition from anyone. The adjudicator noted again that whilst the conduct of the registrant in seeking to divert custom from the complainant to himself certainly raises a critical eyebrow, his conduct is neither *contra bonos mores* in a passing off sense, nor is it of such an unfair or dishonest nature that it is *contra bonos mores* in any other way (ZA2007-0008, p 17). The adjudicator stated that granting monopolies in simple descriptive terms adopted as domain names and in the absence of compelling evidence of "secondary meaning" would play havoc with the reasonable requirements and rights of traders and others to use such names themselves (ZA2007-0008, p 18).

### 3.1.2 Scope of Registered Rights

In ZA2007-0005 (*Telkom SA Ltd & TDS Directory Operations (Pty) Ltd v. The Internet Corporation*) First complainant's registered rights in respect of the device mark THE PHONE BOOK was at issue.





The complainant's registered trade mark numbers 1996\06591 1996\06592 and 1996\06593 for THE PHONE BOOK logo in classes 16, 35 and 38 respectively.

The adjudicator noted two features of the complainant's trade mark registrations that were deemed important in deciding whether the complainant had rights in a mark, which is identical or confusingly similar to the disputed domain name. First, the fact that the trade mark consists of a logo or a device, and secondly, the fact that it contains a disclaimer (ZA2007-0005, p 14).

The adjudicator held that the legal significance of the fact that the trade mark registrations consist of a device mark was highlighted in a Nominet decision, DRS NO. 01399 (*Loans.Co.Uk Ltd v. Abbeyway Contracts Limited* par. 7.8) as follows:

"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."

In ZA2007-0005 the adjudicator held that the position is complicated further where the trade mark in question consists of descriptive words combined with a logo (ZA2007-0005, p 15). The complainant's trade mark rights not only comprises of descriptive words "phone" "book" and "foonboek" written in a stylised form and combined with a logo, but the registration has also been endorsed with a disclaimer. The following disclaimer is entered against the registration:

"Registration of this mark shall give no right to the exclusive use of the word PHONE, or of the word FOONBOEK, or of the word BOOK, each separately and apart from the mark...".

The legal effect of this disclaimer was at issue. The adjudicator rejected the complainants' argument in their Reply that the effect of the disclaimer is merely to limit the complainants' rights in respect of the word PHONE on its own and the word BOOK on its own but not in respect of the combination of the two words "PHONEBOOK" or "PHONE BOOK" (ZA2007-0005, p 15). The adjudicator disagreed and held that the crux of the matter is that the complainants enjoy no registered protection for the words separate and apart from the mark. Furthermore, the use of a disclaimed feature or disclaimed features of a trade mark cannot amount to trade mark infringement (ZA2007-0005, p 15-16; Webster & Page par 9.19; par 12.8.9). The adjudicator held that the registered trade mark is neither identical nor similar to the domain name phonebook.co.za.

The decision of ZA2007-0005 was the first (and the only decision) to be appealed. Several aspects of the ZA2007-0005 decision were appealed, inter alia also the initial adjudicator's ruling that the registered trade mark is neither identical nor similar to the name

phonebook.co.za. The Appeals Panel in ZAAP2007-0005 (*Telkom SA Ltd & TDS Directory Operations (Pty) Ltd v. The Internet Corporation*) <<http://www.domaindisputes.co.za/downloads/decisions/ZAAP2007-0005.pdf>> held that the effect of the disclaimer in the registered trade mark is to deprive the First complainant of rights in the word FOONBOEK, or the version which has the "equivalent meaning", the English expression "PHONE BOOK". The Appeals Panel held that as use of a disclaimed feature cannot amount to infringement of registered rights it follows that the complainants do not have rights that can be infringed in the registrant's use of the domain name (ZAAP2007-0005, p.10).

In summing up its reasoning on this point the Appeals Panel noted that trade marks do not give monopolies in ideas, but serve to distinguish products of a similar nature. The Appeals Panel concluded that the complainants do not have the necessary rights to proceed with a complaint as required by the Regulations (ZAAP2007-0005, p 13).

### 3.1.3 The Relevant Time of Establishment of Rights

In ZA2008-00020, *Mxit Lifestyle (Pty) Ltd v. Andre Steyn* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00020.pdf>> the adjudicator noted that she agrees with findings of the panels under the Nominet and UDRP policies, namely that the date on which rights must exist is the date of the Complaint and not the registration date of the disputed domain name (p 14). She held that the issue of the registrant's registration of the disputed domain name prior to the establishment of the complainant's rights is only relevant to questions concerning the registrant's legitimate interest and bad faith (ZA2008-00020, p 14; DRS/03078, D2000-0270 and D2002-0669). Similarly, in ZA2007-0008, *Homefront Trading 272 CC v. Ian Ward* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0008.pdf>> the adjudicator held that the fact that the registrant's registration of the disputed domain name pre-dated the complainant's registration was irrelevant (ZA2007-0008, p 17).

This issue was discussed in the WIPO Arbitration and Mediation Centre's *Overview of WIPO Panel Views* under the third UDRP element. The question is whether bad faith can be found where the disputed domain name was registered before the trade mark or other rights of the complainant were acquired. The panels' consensus view is that where a domain name was registered before a trademark right was established, the registration of the domain name was not in bad faith because the registrant could not have contemplated the complainant's non-existent right (WIPO Overview, p 8). It is noted that in exceptional circumstances, for example where the respondent is clearly aware of the complainant, and the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found.

According to Buys, the legal representative of the complainant, the ZA2008-00020 decision sets important precedents:

“...Firstly, it was decided that a complainant only have to show rights in a name that is similar to the disputed domain name on the date of the dispute and not on the date upon which the domain name was registered...” (Anon, 2008, <<http://mybroadband.co.za/news/Internet/5548.html>>).

This sweeping statement should be qualified with reference to the definition of an abusive registration. Regulation 3(1) requires the registrant to assert that she has rights in respect of a name or a mark which is identical to the domain name and, in the hands of the registrant the domain name is an abusive registration. However, the enquiry does not end there as the complainant must also prove that the domain name is an abusive registration. Under paragraph 4(a) (iii) of the UDRP Policy a domain name holder must both register and use a domain name in bad faith in order for the conduct to amount to an abusive registration. Regulation 1 of the .za ADR Regulations requires a complainant to prove that the disputed domain name is an abusive registration, *either* as a result of a bad faith domain name registration *or* as a result of the bad faith use of the domain name.

The definition of an abusive registration in regulation 1 is specific on when the complainant's rights must exist. Part (a) of the definition of an abusive registration provides that it is a domain name which 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 (Emphasis Supplied). The general rule is where the domain name was registered before the trade mark or other rights of the complainant were acquired the disputed domain name can only be an abusive registration if it has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainants' rights in accordance with regulation 1(b) (ZA2008-00022 p 11; ZA2007-0009 pp 12 & 14). In ZA2008-00020 the complainant could not prove its rights at the date of registration of the domain name. The adjudicator correctly noted that even if the registrant was innocent in registering the disputed domain name mixit.co.za, his use of the domain name was not innocent (ZA2008-00022 p 16).

It follows that the registration or acquisition of a domain name before the rights of the complainant were acquired or established will not be an abusive registration in terms of regulation 1(a). In exceptional circumstances, a bad faith registration can take unfair advantage or be detrimental to the potential rights of the complainant. Foreign decisions referred to by the WIPO Overview that bad faith can be found where, for example, the respondent is clearly aware of the complainant, and the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, could be persuasive (p 8).

### **3.2 Identical or Confusingly Similar**

Where a registrant has merely added a descriptive/generic word to a distinctive trade mark the domain name will still be deemed to be confusingly similar to the trade mark (ZA2007-0003, *Telkom SA Ltd v. Cool Ideas CC* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0003.pdf>>); the discussion of the similarity of the "nike" domain names in ZA2007-0003, p 13: In D2000-1598 the domain names "niketravel.com" and "nikesportstravel.com" were found to be similar to the trade mark NIKE; DRS04601 in which "nikestore.com" was held to be similar to "NIKE"; and DRS01493 in which "nokia-ring-tones.com" was found to be similar to "NOKIA").

In NAF/FA141825 it was held that:

"[It] is also well-established under the Policy that a domain name composed of a trademark coupled with a generic term still is confusingly similar to the trademark".

In ZA2007-0010 (*Multichoice Subscriber Management Services (Pty) Ltd v. JP Botha*) <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0010.pdf>> the well established legal principle that a domain name that comprises a trade mark coupled with a generic term is confusingly similar to the trade mark was confirmed (ZA2007-0010, p 6; also decisions ZA2007-0003 and ZA2007-0004, *Telkom SA Limited and TDS Directory Operations (Pty) Ltd v. The Internet Corporation* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0004.pdf>>). In ZA2007-0010 the adjudicator held that "mwebsearch.co.za" is indeed confusingly similar to the trade mark MWEB, incorporating as it does, the whole of the distinctive mark MWEB in conjunction with the generic and non-distinctive term "search", which is in common use. (See also the adjudicators' decisions that the domain name suncityvacation.co.za is similar to the trade mark SUN CITY in ZA2008-00023, *Sun International South Africa Ltd. v. Blue Chip Accommodation CC* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00023.pdf>> and that that sunglasshut.co.za is identical to the trade mark SUN GLAS HUT in ZA2008-00015, *Luxottia US Holding Corporation v. Preshal Iyar*).

"Typo squatting" or "domain mimicry" takes place where domain names are registered with one letter or number altered (Bradfield, 2001, p 234). For instance, "microsof.com" will be deemed confusingly similar to "Microsoft Corporation" (Loundy, 1997, p 465). Regulation 3(1) (a) requires the complainant to show that the domain name is identical or similar to the complainant's mark. In the case of typo squatting the domain name will be similar to the mark and the right holder will thus have a course of action irrespective of whether the registrant engaged in cyber squatting or typo squatting.

ZA2007-0006 (*Standard Bank of South Africa Ltd v. Cox* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0009.pdf>>) was a typical typo squatting case. The adjudicator held that the domain names standerdbank.co.za, standarbank.co.za, wwwstandardbank.co.za, standerdank.co.za, standardank.co.za, stanardbank.co.za, standardban.co.za, standadbank.co.za, standardbak.co.za, stndardbank.co.za, stadardbank.co.za, and sandardbank.co.za, were for all interests and purposes identical to the complainant's trade mark STANDARD BANK and amounts to typo squatting (ZA2007-0006, p 5). The domain names in issue resolved to websites that officered services directly overlapped with that of the complainant. This was regarded as evidence that the domain names were registered and used in bad faith (ZA2007-0006, p 6). The adjudicator held that the domain names were registered in bad faith and that the domain names were used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights. The domain names were transferred to the complainant ((ZA2007-0006, pp 7-8).

### **3.3 Evidence of Abusive Registration**

The adjudicator must examine all the circumstances of the case to determine whether a registrant is acting in bad faith. Examples of circumstances that can indicate bad faith include where the complainant has rights in a well-known trade mark, where the registrant provided no response to the Complaint, where the registrant concealed his identity and where it is impossible to conceiving a good faith use of the domain name (D2000-0003, *Telstra Corporation Limited v. Nuclear Marshmallows*; D2000-0574, *Jupiters Limited v. Aaron Hall*; D2002-0131, *Ladbroke Group Plc v. Sonoma International LDC*).

One interesting aspect of the first .za decisions is the determination of "unfair advantage" or "unfair detriment". The other interesting aspect is the extent to which trade-mark law principles played a role in determining whether a registration is abusive or not. Trade mark law was applied to determine whether a domain name has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights.

### 3.3.1 Unfair Advantage or Unfair Detriment

In ZA2007-0007, *Federation Internationale de Football Association (Fifa) v. X Yin* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0007.pdf>> the domain name fifa.co.za was at issue. The adjudicator noted that regulation 4(1) (b) is not a paragon of drafting clarity (ZA2007-0007, p 16). Regulation 4(1) (b) provides:

A registration may also be deemed to be abusive where circumstances indicate 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 (reg. 4(1) (b)).

The adjudicator noted that the domain name in question is registered. It is difficult to perceive how the domain name can be registered "in a way" that leads to the stated effect (outside of the domain name). The adjudicator assumed that the intention of the regulation is to incorporate within the ambit of the circumstances there postulated the import of the name per se (ZA2007-0007, p 16). In the adjudicator's view, the domain name registration is likely to take advantage of, or be detrimental to the complainant's rights, particularly in light of the fact that FIFA is one of the funders of the 2010 WORLD CUP tournament in South Africa. The issue in this regard is not the extent to which the registration will prejudice such licensing and franchising efforts, but the potential for it to do so (ZA2007-0007, p 17).

On the question of whether the domain name registration has the requisite quality of "unfairness", the adjudicator held that the same considerations that the Constitutional Court applied in *Laugh It Off Promotions CC v. SAB International (Finance) BV* (2006 (1) SA 144 CC) would not necessarily apply to domain names. The court held the following with reference to the alleged tarnishment of a trade mark:

"The section does not limit use that takes fair advantage of the mark or that does not threaten substantial harm to the repute of the mark, or indeed that may lead to harm but in a fair manner. What is fair will have to be assessed case by case with due regard to the factual matrix and other context of the case." (par. 49)

The adjudicator noted that given the infinite proportions of access to such a site, and the possibilities of its use (and abuse), a likelihood of substantial economic detriment cannot be the sole standard for assessing unfairness in the context of domain name disputes. In this regard, the adjudicator noted that evidence was put forward of an intention on the part of the registrant to continue to avail himself of the benefit and advantage of the use of the mark FIFA in a domain name. The adjudicator deemed this to be unfair (ZA2007-0007, p 19). The adjudicator concluded that although the website <<http://www.fifa.co.za>> would only have an insubstantial consequence for FIFA, the domain name fifa.co.za was an abusive registration (ZA2007-0007, p 19).

In ZA2008-00016 the adjudicator noted that two factors need to be considered in determining unfair advantage or unfair detriment. The adjudicator held that the advantage or detriment must be to the complainant's rights. In the particular case the promotion of the sale of genuine goods was not unfair or detrimental to the complainant's distribution rights (ZA2008-00016, p 16). Any advantage gained would be as a result of the reputation of the marks and not as a result of taking advantage of the complainant's rights (ibid). The complainant failed to make a case that the domain name constituted an abusive registration (ZA2008-00016, p 22).

### 3.3.2 Blocking registrations & disruption of business

The adjudicator in ZA2007-0003 (*Telkom SA Limited v. Cool Ideas 1290 CC*) held that a blocking registration has two critical features. The first is that it must act against a name or mark in which the complainant has rights. The second feature relates to an intent or motivation in registering the domain name in order to prevent a complainant from doing so. (ZA2008-00021, *Sun International (IP) Ltd v. Will Green* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00021.pdf>> pp 13-14; ZA2008-00015, *Luxottia U.S. Holding Corporation v. Preshal Iyar* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00015.pdf>> p 11).

In ZA2008-00022, *Samsung Electronics Co. Ltd v. Sean Elsworth* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00015.pdf>> the complainant established rights in the mark "SAMSUNG" which had been registered by the registrant as [samsungcartridges.co.za](http://samsungcartridges.co.za) and [samsungcartridge.co.za](http://samsungcartridge.co.za). The adjudicator agreed with the complainant's contention that the registrant did not conceive the disputed domain names independently of the complainant's trade marks. The adjudicator thus concluded that the registrant was not acting in a bona fide manner when he registered the disputed domain names. The complainant did not make any substantive case that the registrant registered the domain names with the express intent of blocking the registrant from registering the domain names (ZA2008-00022, p 11). The adjudicator referred to various foreign decisions where it was held that the disruption of a business of a complainant may be inferred where the registrant has registered a variant of the complainant's marks (ZA2008-00022, p 12). The complainant thus discharged the onus of proving that the disputed domain names were abusive registrations.

### 3.3.3 Applicability of Principles of Trade-mark Law

In the first domain name case dealing with a "fan site", ZA2008-00014 (*Automobiles Citroën v. Mark Garrod*) <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00014.pdf>> the domain name [citroen.co.za](http://citroen.co.za) was in dispute. The adjudicator held that the principles of trade-mark law must play a role where the unauthorised appropriation of a trade mark is at issue (ZA2008-00014, p 20). The adjudicator noted that although one should allow for the idiosyncrasies of Internet usage, the fact remains that intellectual property of another has been appropriated and the well-trodden paths of legal principles concerning trade mark cannot be eschewed for some alternative regime (ibid). The registrant was an avid Citroën supporter. The adjudicator rejected the registrant's explanation, namely that he believed that he was at liberty to register the domain name as the complainant had stopped trading in South Africa (ZA2008-00014, p 23). The adjudicator noted that the registrant should have obtained the complainant's permission and he also noted that trade mark owners should be able to register domain names comprising of their trade marks without (metaphorically speaking)

being held to ransom because they were not swift enough (ibid). The adjudicator held that the registrant had not discharged the onus of showing that his domain name was not abusive (ZA2008-00014, p 25).

In ZA2007-0010 (*Multichoice Subscriber Management Services (Pty) Ltd v. JP Botha*) the complainant averred that the domain name registration which incorporates its MWEB trade mark is an abusive registration as it amounts to trade mark infringement and passing off. The adjudicator accepted these submissions and also noted that the registration and use of the domain name takes unfair advantage of the complainant's well known mark to generate income and divert users from the complainant's site. The adjudicator concluded that the domain name was an abusive registration (ZA2007-0010 p 7). Similarly, a domain name registration and use was "loosely" described as amounting to passing-off and the registration was held to be abusive (ZA2007-00011, *Newcote International Limited v. iLogic (Pty) Ltd* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-00011.pdf>> p 11).

Should principles of South African trade-mark law or passing-off be applied in determining if a domain name registration or use is abusive? The United States Court of Appeals for the Second Circuit has noted that applying established trademark law in the Internet context is:

"...somewhat like trying to board a moving bus..."  
(*Bensusan Rest. Corp. v. King*, 126 F.3d 25, 27 (2d Cir. 1997); Sharrock, 2001, p 818).

It is difficult to see how the existence and extent of trademark rights can be assessed other than by reference to local law. Trade-mark rights can only have a national foundation (D2002-1180, *Sibyl Avery Jackson v. Jan Teluch*; D2000-0270, *Technologies, Inc. v. International Electronic Communications, Inc*). Principles of South African trade mark law will thus be central to the proof of a complainant's trademark rights.

However, the principles of trade-mark infringement may not be as useful to determine if a domain name registration is an abusive registration. The second and third elements that a complainant must show under the UDRP (that the registrant has no legitimate interests in the domain name and that the domain name was registered and used in bad faith) is the most important aspects of the Policy and it is exactly these elements that distinguishes it from trade mark law (Munden, p 23) Similarly, under the .za ADR the elements of an abusive registration, (namely that it was registered or has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the complainant's rights) is foreign concepts in trade-mark law. Furthermore, there is no simple answer to the question whether the registration of a domain name incorporating a registered domain name amounts to trade mark infringement under the South African Trade Marks Act of 1993 or the United Kingdom's Trade Marks Act 1994 (Rutherford, 2000, pp 178-181; Ramahi, 2006, p 17). The outcome may well depend on the intended use of the domain name (ibid).

WIPO Panels have noted that the UDRP Policy on cyber squatting and trademark infringement principles differ, although there may be an overlap. In D2003-0372 (*Delta Sir Transport NV v. Theodule de Souza*) it was noted that trade-mark infringement and abusive registration within the meaning of paragraph 4(a) of the UDRP Policy is not synonymous. The fact that the use of a disputed domain name in a particular set of facts may constitute trademark infringement has, of itself, no bearing on the question whether it is an abusive

registration or not. The transposition of principles of intellectual property law to a finding for or against an abusive domain name registration should be resisted.

### **3.4 Factors Negating an Abusive Registration Allegation**

Regulation 5(a) (i) provides that the registrant may provide evidence of its use of, or demonstrable preparations to use, the disputed domain name in connection with a bona fide offering of goods or services before being aware of the complainant's cause of complaint. First, the phrase "demonstrable preparations to use" requires "real preparations that are calculated to result in deployment of an operational website address addressed by that name" (D2001-0932, *Sydney Markets Ltd v Shell Information Systems*; NAF 0095856, *Treeforms Inc v. Cayne Industrial Sales Corp*). Secondly, the steps in preparation to use the domain name must be taken before becoming aware of the complainants' cause of Complaint.

Passive use may amount to use in bad faith. Many foreign decisions have held that the "use" requirement includes both positive action and inaction (D2000-0059, *Barney's Inc v. BNY Bulletin Board*; D2000-0400, *CBS Broadcasting Inc v. Dennis Toeppen*; D2000-0487, *Video Networks Limited v. Larry Joe King*; D2000—194, *Recordati SPA v. Domain Name Clearing Company*; and D2000-0468, *Revlon Consumer Products Corporation v. Yoram Yosef aka Joe Goldman*). It has been held that failure to make bona fide use of a domain name during a two-year period following registration constitutes bad faith (D2005-0472, *Hexagon v. Xspect Solutions Inc*; D2000-0004, *Mondich & American Wine Biscuits Inc v. Brown*). In ZA2008-00020 the adjudicator held that as the domain name "mixit.co.za" resolved to an empty web site there was not use of demonstrable preparations to use the domain name before being aware of the complainant's cause of complaint (ZA2008-00020, p 17).

Regulation 5 provides that a domain name will also not be an abusive registration if the registrant can show she was commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name. In ZA2008-00023 the registrant claimed that the domain name was not an abusive registration as she (the registrant) is the complainant's booking agent and she was therefore promoting the complainant's business by booking accommodation for its clients (ZA2008-00023, p 15). Furthermore, the website only promoted the complainant's business. The registrant's claim that the domain name *suncityvacation.co.za* only promotes the complainant's Sun City resort and is therefore not an abusive registration, was rejected by the adjudicator. The adjudicator noted that an abusive registration begins with the registration of the domain name and the content of a website does not have any bearing on the issue (ZA2008-00023, p 16). The adjudicator also noted that the complainant has no control over the contents of the website and that the registrant could have traded under any other name (*ibid*).

The domain name will not be an abusive registration if the registrant can show that she has made legitimate non-commercial or fair use of the domain name (reg. 5(a)). Fair use of a domain name that is being used generically or in a descriptive manner will also defeat a claim of abusive registration (reg. 5(b)). Where a domain name is used to denote the services it is offering it cannot amount to generic or descriptive use of the domain name (ZA2008-00023 p 17). Use of a domain name also cannot be fair where such use is misleading or where it takes unfair advantage of the reputation and goodwill of a trade mark (*ibid*).



Landing pages or domain parking sites can be customised or automated. UDRP and Nominet panels have been faced with much adjudication wherein they had to decide whether such use constitutes fair use. Domain name parking sited or landing page were at issue in ZA2008-00020, *Mxit Lifestyle (Pty) Ltd v. Andre Steyn* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00020.pdf>>. The adjudicator noted that a number of factors are relevant in analysing landing pages. These include whether the domain name is an obvious trade mark, whether the website's content is related to the dictionary meaning of the domain name (for example laptops being offered for sale at laptop.com), whether the landing page provides links or advertisements for competing products, whether the landing page appears to be a pretext for cyber squatting and whether the registrant registered and use the relevant domain name or other domain names in bad faith on other grounds (ZA2008-00020, p 18).

Olivier & Jearey (2008) note that it is not clear if and to what extent - the fact that the domain name is an obvious trade mark or whether the landing page provided links or advertisements for competing products – were considered in making the finding that

“...the registrant generates revenue from the sponsored links and advertisements that appear on the landing pages and as a consequence of the confusion with complainant's trade mark.”

They also noted that the initial conduct of the registrant in using the keywords “chat”, “messaging” and “Mxit” had ceased. The parked domain name used ordinary terms that are unrelated to the complainant's rights for search engine optimization (such as fashion, clothing, and music). Olivier and Jearey speculate that one may conclude that the similarity of the trade mark and domain was primarily sufficient to convince the adjudicator that the domain name was an abusive registration (ibid). The adjudicator noted that the circumstances set out in regulation 4(1) (b) continue to exist, notwithstanding the fact that the use of the keywords ceased (ZA2008-00020 p 16). The premise for the decision went beyond the similarity of the mark and the domain name. It was based on the fact that the domain name and the complaint's mark is so similar that people are likely to believe that the disputed domain name is connected with the complainant (ZA2008-00020 p 16).

### **3.5 Reverse Domain Name Hijacking**

Reverse domain name hijacking is the use of the Regulations in bad faith in an attempt to deprive the registrant of her domain name (reg. 1). It is thus the unlawful attempt to obtain a domain name that has previously been registered by a lawful owner (Marx, 2004, p 117; Viljoen, 2007).

ZA2007-0005 was the first .za ADR case where reverse domain name hijacking was considered. In the face of the dearth of national decisions the adjudicator turned to foreign decisions for guidance. It was noted that foreign decisions have held that the registrant must show that complainants knew the registrant's legitimate interests in the disputed domain name or the clear lack of bad faith registration and use, and nevertheless brought the Complaint in bad faith (D2000-1224, *Sydney Opera House Trust v. Trilynx Pty Ltd*; D2000-0993, *Smart Design LLC v. Hughes*; *eResolution Case AF-0170a--0170c Loblaws Inc v. Presidentchoice.inc/Presidentchoice.com*; eResolution, June 7, 2000).

Bad faith encompasses both malicious intent and recklessness or knowing disregard of the likelihood that the registrant possessed legitimate interests (D2000-0993, *Smart Design*, supra). In AF-0170a–0170c (Loblaws, supra) it was held:

“...in a case where the trademark, although a well-known supermarket brand, is a common English phrase used as a mark by other businesses, the failure to conduct a cursory investigation seems especially unreasonable”

Legitimate interest in the use of a domain name has two requirements. The first is that the registrant must use a generic word to describe his product or business. The second is that the generic use of the word must be without the intent to take advantage of a complainant's rights in that word.

In ZA2007-0005 the adjudicator concluded, on the balance of probabilities, that the registrant had a legitimate interest in the disputed domain name by virtue of having been the first to register the generic words "white pages". The disputed domain name [whitepages.co.za](http://whitepages.co.za) is used in connection with a bona fide offering of goods or services. The mere fact that the [whitepages.co.za](http://whitepages.co.za) website was inactive for a relatively short period does not detract from this fact. The adjudicator held that as the complainants failed to prove their rights under regulation 3(1) (a), their allegation that the domain name was used in a manner that takes unfair advantage of, or was detrimental to their rights was also doomed.

The adjudicator held that the complainants had no proper objection to the disputed domain name. Since the complainants were being professionally advised throughout, the adjudicator came to the inescapable conclusion that the complainants were aware of the lack of proper grounds for the objection to the domain name (ZA2007-0005, p 23). The adjudicator stated that the Complaint was brought in bad faith primarily to deprive a registered domain-name holder of its domain name and that the Complaint constituted an abuse of the administrative proceedings (ZA2007-0005, p 24). ZA2007-0005 was the first case to be appealed.

In ZA2007-0008, *Homefront Trading 272 CC v. Ian Ward* <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0008.pdf>> an allegation of reverse domain name hijacking was once again made. The adjudicator decided this case before the Appeals Panel published its decisions. The adjudicator in ZA2007-0008 rejected the registrant's allegation, but based his findings on an unusual interpretation of the meaning of reverse domain name hijacking. The adjudicator held that the complainant's conduct involved the lawful and bona fide acquisition of a domain name (and associated business) and nothing in its conduct had been aimed at undermining the registrant's domain name [privatesale.co.za](http://privatesale.co.za), nor the business of the registrant (ZA2007-0008, p 18). The adjudicator also noted that at the time when the complainant obtained the domain name [private-sale.co.za](http://private-sale.co.za), the registrant was not conducting any business under the domain name [privatesale.co.za](http://privatesale.co.za). The adjudicator concluded that no “reverse hijacking” could have existed (ibid). The adjudicator thus interpreted the requirements not to refer to the complainant's bad faith in instituting the complaint under the ADR procedure, but to the complainant's conduct in registering and using the domain name.

The appellants in ZAAP2007-0005, *Telkom SA Ltd & TDS Directory Operations (Pty) Ltd v. The Internet Corporation* <<http://www.domaindisputes.co.za/downloads/decisions/ZAAP2007-0005.pdf>> appealed

against all the initial adjudicator's findings and especially against the finding of reverse domain name hijacking. The appeals panel noted that it had some difficulty in understanding the precise aim and scope of this concept (and hence the nature and scope of the onus that a party seeking to invoke it is required to discharge). It requires, in the view of the Adjudication Panel, legislative intervention if it is to serve a meaningful purpose (ZAAP2007-0005 pp 16-17).

The appeals panel noted that the registrant made the allegation in its Response that the complainants were using the Regulations in bad faith but the adjudicator was not requested to make a ruling on reverse domain name hijacking. The panel noted that litigants and their legal advisers must be free to launch proceedings to protect rights -even if incorrectly perceived -without fear of castigation. A majority of members of the Adjudication Panel were of the view that a reverse domain name hijacking complaint should require suitable evidence of unlawful intent, for example as proven in *Bress Designs (Pty) Ltd v. GY Lounge Suite Manufacturers (Pty) Ltd*, 1991 (2) SA 455 W (ZAAP2007-0005, p 17).

The Appeals Panel's ruling on reverse domain name hijacking is completely out of step with foreign decisions. Foreign decisions have developed four scenarios where sufficient grounds may exist for a finding of reverse domain name hijacking. The first ground is based on the registrant's ability to prove that the complainant does not have a right in the mark used in the disputed domain name; secondly where the registrant can prove the complainant initiated the dispute well aware of the registrant's rights or legitimate interests in the domain name; thirdly, where the registrant can prove that the complainant knew that the registrant did not act in bad faith and; fourthly, a lack of candour on the part of the complainant (Bazerman & Georget, 2003, pp 2-3).

In D2005-0309 (*Jazeera Space Channel TV Station v. AJ Publishing aka Aljazeera Publishing*) it was noted that neither "bad faith" nor "abuse" is defined in the Rules but both concepts are known to most, if not all, legal systems. Generally, "bad faith" connotes a mental element such as malice or dishonesty. In D2004-0848 (*Kiwi European Holdings BV v. Future Media Architects Inc*) a complete lack of evidence that the disputed domain name, a generic term, was registered or was being used for reasons related in any way to complainant or its mark, led to a finding of reverse domain name hijacking.

Bad faith encompasses both malicious intent and recklessness or knowing disregard of the likelihood that the registrant possessed legitimate interests (D2000-0993, *Smart Design*, supra). Reverse domain name hijacking has been upheld in circumstances where a reasonable investigation would have revealed the weaknesses in any potential complaint under the Policy (D2006-0645 *Rohl, LLC v. ROHL SA*). Similarly, it has been held:

“...in a case where the trademark, although a well-known supermarket brand, is a common English phrase used as a mark by other businesses, the failure to conduct a cursory investigation seems especially unreasonable” (AF-0170a–0170c, *Loblaws*, supra)

As for “abuse of process”, using the Policy to harass the domain-name holder is an example that is provided by the Rules. In DRS 00538 (*Cardpoint plc v. Riga Industries*) the adjudicator held that the complainant pursued the Complaint out of frustration at the Respondent's refusal to negotiate terms for a transfer of the domain name, rather than out of any genuine belief that the registration was an Abusive Registration under the Policy. There

was no obligation upon the Respondent to negotiate terms for a transfer, and to invoke the Policy in such circumstances amounts to an abuse of process (DRS 00538, p 5).

Initiating domain name dispute resolution proceedings necessarily causes considerable expenditure of time and cost. A complainant must have a reasonable and credible belief that he is entitled to succeed, before commencing with a dispute. In particular, proceedings must not be misused in an unjustifiable attempt to pressure a domain name owner to transfer the domain name to a complainant (D2006-0905, *Proto Software, Inc. v. Vertical Axis, Inc/PROTO.COM*; D2002-0535, *Sustainable Forestry Management Limited v. SFM.com and James M. van Johns "Infa dot Net" Web Services*).

The proper function and purpose of reverse domain name hijacking must still find a foothold amongst the .za adjudicators. It is noted that reverse domain name hijacking should not be viewed as a foreign concept - Intellectual property laws have long provided relief for groundless claims (Munden, p 52). Its main purpose is to balance the rights of trade mark owners and that of domain name owners. Bad faith is not an argument that is available to the complainant only (Rodhain, 2002, p 4). In the end, bad faith may be attributed to registrants and trade mark proprietors alike.

#### **4. Concluding Remarks**

The first few .za ADR cases have illustrated the SAIPL service provider's ability to successfully implement and manage an ADR system for the benefit of both right holders and domain name owners. The decisions have built on and incorporated foreign decisions. The Appeals Panel's refusal to recognise established foreign decisions on reverse domain name hijacking is in stark contrast to this trend. Reverse domain name hijacking emphasises the differences between domain name ADR and traditional trade mark infringement actions. Not every case of trade mark infringement is actionable under the ADR rules. It has been noted that bringing the wrong case to the UDRP, and arguably the .za ADR forum may lead to a finding of reverse domain name hijacking (Bazerman & Georget 2003, p 4).

Marx (2004, p 127) questioned the wisdom of the development of an indigenous ADR system for .za domain name disputes. It was noted that the adoption of the UDRP Policy and Rules and the use of WIPO panels and existing infrastructure may have been more cost effective. However, I am of the opinion that the adoption of the UDRP for the .za DNS would only have been cost-effective in the short term. The development of an indigenous .za ADR system was advantageous, as ADR Regulations drafters avoided some of the problematic features of the UDRP Policy. The drafters of the .za ADR Regulations had the benefit of hindsight as they benefitted from the experiences of other ADR providers, such as Nominet. Secondly, the ADR Regulations opened the basis of complaints to cultural, personal and commercial rights. The third advantageous home-grown feature is the adoption of complaints geared towards offensive registrations. The South African procedure is cost-effective compared to the UDRP costs.

#### **References**

Al Ramahi, Mohammad S (2006), 'Internet Domain Names & Trademark Law: Does the Current Legal Scheme Provide and Adequate Protection to Domain Names under the US &

UK Jurisdictions?’, Paper delivered at the 21st BILETA Conference: Globalisation and Harmonisation in Technology, April 2006, Malta, available at:

<<http://www.bileta.ac.uk/Document%20Library/1/Internet%20domain%20names%20and%20trademark%20law%20does%20the%20current%20legal%20scheme%20provide%20an%20adequate%20protection%20to%20domain%20names.pdf>>

Anon (2008), "New domain name decision sets precedent",  
<<http://mybroadband.co.za/news/Internet/5548.html>>

Bazerman, Steven and Georget, Richard (2003), ‘The Obverse of Cyber squatting’, *World eBusiness Law Report* available at: <<http://www.ipcounselors.com/wblr20030410.htm>>

Bradfield, Owen (2001), ‘Domain Names in Australia – Legal and Contractual Dispute Resolution’, 12(1) *Journal of Law & Information Science*, p 234.

Du Toit (2007), ‘New domain name regulations’, *ITWeb* 16 August 2007,  
<<http://en.newspeg.com/actualite/Economy/New%20domain%20name%20regulations-3627098.news>>

Greene, K J (2004), ‘Abusive trademark litigation and the incredible shrinking confusion doctrine - trademark abuse in the context of entertainment media and cyberspace’, *Harvard Journal of Law & Public Policy*, p 615

Greenberg (2004), "Trademarks, Domain Names And Meta Tags" in Buys, R (ed.) *Cyberlaw @ SA The law of the Internet in South Africa*, (2<sup>nd</sup> ed.) (Pretoria: Van Schaik Publishers)

Halberstam, Simon et al. (2002), *Tolley's Domain Names: A Practical Guide* (London: Tolley Publishing)

Hurter, Eddie (2000), ‘Dispute resolution in cyberspace: A futuristic look at the possibility of online intellectual property and e-commerce arbitration’, (12) (1) *SA Mercantile Law Journal*, p 199

Hurter, Eddie (2007), ‘Evaluation of Selected Aspects of the Alternative Dispute Resolution Regulations for the resolution of domain name disputes in the .za domain name space’, (19) 2 *SA Mercantile Law Journal*, p 165

Loundy, David J (1997), ‘A Primer on Trademark Law and Internet Addresses’, 15(3) *John Marshall Journal of Computer & Information Law*, p 465

Marx (2004), ‘Domain name protection in South Africa’, *Obiter*, pp 125–127

Motion, Paul (2005), "Article 17 ECD: Encouragement of Alternative Dispute Resolution On-line Dispute Resolution: A View from Scotland" in Edwards, L (ed.) *The New Legal Framework for E-commerce in Europe* (Oxford and Portland, Oregon: Hart Publishing)

Munden, Richard A J () ‘Reverse Domain Name Hijacking”: Setting the limits of Trade Mark Protection in Cyberspace’, available at: <<http://users.ox.ac.uk/~edip/munden.pdf>>

Murray, Andrew (1998), 'Internet Domain Names: The Trade Mark Challenge', 6(3) *International Journal of Law and Information Technology*, p 285

Namespace ZA 'Comments on the Electronic Communications and Transactions Bill Draft ECT bill submission – 2002-04-24', available at: <[www.namespace.org.za](http://www.namespace.org.za)>

Olivier, D and Jearey, S 'New finding on domain name parking good news for brand owners', available at: <<http://www.bowman.co.za/LawArticles/Law-Article.asp?id=2132417342>>

Pistorius, T (2008), "Domain Names and Infringement of Trade Marks on the Internet" in Van der Merwe (ed.) *Information Communications Technology Law* (Durban: LexisNexis)

Ramappa, T (2003), *Legal Issues in Electronic Commerce* (New Delhi: MacMillan India Ltd)

Rodhain, Philippe (2002), 'Reverse Doamin Name Hijacking', available at: <<http://www.findlaw.com.au/articles/6596.htm>>

Rutherford (2000), 'Well-known marks on the Internet', 12 *SA Mercantile Law Journal*, p 175

Ryan (2001), 'Playing by the rules', (5) *De Rebus*, p 27

Sharrock, Lisa M (2001), 'The Future Of Domain Name Dispute Resolution: Crafting Practical International Legal Solutions From Within The UDRP Framework', 51(2) *Duke Law Journal*, p 817

Singleton, Susan (2003), *eCommerce: A Practical Guide to the Law* (2<sup>nd</sup> Ed.) (Hampshire: Gower Publishing Ltd.)

Smith, Graham J (2002), *Internet Law & Regulation* (3<sup>rd</sup> Ed.) (London: Sweet & Maxwell)

Viljoen, Mariette (2007), 'In pursuit of the Cyberpirates – The new ADR System for .co.za Domain Name Complaints', October *De Rebus* available at: <http://www.derebus.org.za/nxt/gateway.dll/bsxha/ibpxa/zsd2a/4sd2a/0ol3a>

Wilbers (1999), 'Online arbitration of electronic commerce disputes', 27 *International Business Lawyer*, p 273

Webster & Page (2004), *South African Law of Trade Marks, Unlawful Competition, Company Names and Trading Styles* (4<sup>th</sup> Ed.) (Durban: Butterworth)

## Conference Proceedings

Christie, A (2000), 'The ICANN domain name dispute resolution system: a model for other transborder intellectual property disputes on the Internet?' paper delivered at the International Conference on Dispute Resolution in Electronic Commerce (6--7 Nov 2000), Geneva

Donahey (1999), 'Current developments in on-line dispute resolution', paper presented at the International Conference on Electronic Commerce and Intellectual Property: Online Dispute Resolution Workshop, WIPO

## **Cases**

### **South African**

Aziza (Pty) Ltd v. Aziza Media 2002 4 SA 337 C 396

Bergkelder Bpk v. Shoprite Checkers (Pty) Ltd 2006 (4) SA 275 (SCA)

Bress Designs (Pty) Ltd v. GY Lounge Suite Manufacturers (Pty) Ltd, 1991 (2) SA 455 W

Laugh It Off Promotions CC v. SAB International (Finance) BV 2006 (1) SA 144 CC

### **Other countries**

Bensusan Rest. Corp. v. King, 126 F.3d 25, 27 (2d Cir. 1997)

British Telecommunications Plc v. One in a Million Ltd (1998) FSR 265

Prince v. Prince Sports Group 1998 FSR 2

Reddaway v. Banham (1886) RPC 218, 224

World Wide Fund for Nature v. World Wrestling Federation Entertainment Inc (Court of Appeal 27 February 2002, *Times Law Report* 12 March 2002)

### **UDRP Decisions**

Telstra Corporation Limited v. Nuclear Marshmallows, D2000-0003

Mondich & American Wine Biscuits Inc v. Brown, D2000-0004

Allocation Network GmbH v. Steve Gregory, D2000-0016

Barney's Inc v. BNY Bulletin Board, D2000-0059

Technologies, Inc. v. International Electronic Communications, Inc, D2000-0270

Sydney Opera House Trust v. Trilynx Pty Ltd, D2000-1224

CBS Broadcasting Inc v. Dennis Toepfen, D2000-0400

Revlon Consumer Products Corporation v. Yoram Yosef aka Joe Goldman, D2000-0468

Video Networks Limited v. Larry Joe King, D2000-0487

Jupiters Limited v. Aaron Hall, D2000-0574

Uitgeverij Crux V W Frederic Isler Skattedirektoratet v. Eivind Nag, D2000-0575

Asphalt Research Technology, Inc v. National Press & Publishing Inc, D2000-1005

Amsec Enterprises, LC v. Sharon McCall, D2000-1314

Smart Design LLC v. Hughes, D2000-0993

Nike, Inc. v. Azumano Travel, D2000-1598

Recordati SPA v. Domain Name Clearing Company, D2000--194

Australian Trade Commission v. Matthew Reader, D2001-0083

Sydney Markets Ltd v. Shell Information Systems, D2001-0932

Cream Holdings Limited v. National Internet Source, Inc, D2001-0964

Ladbroke Group Plc v. Sonoma International LDC, D2002-0131

Gorstew Limited v. Worldwidewebsales.com, D2002-0744

Sibyl Avery Jackson v. Jan Teluch, D2002-1180

Sustainable Forestry Management Limited v. SFM.com and James M. van Johns “Infa dot Net” Web Services, D2002-0535

Delta Sir Transport NV (trading as SN Brussels Airlines) v. Theodule de Souza, D2003-0372

Transfer Imperial College v. Christophe Dessimoz, D2004-0322

Kiwi European Holdings BV v. Future Media Architects Inc, D2004-0848

Hexagon v. Xspect Solutions Inc, D2005-0472

Jazeera Space Channel TV Station v. AJ Publishing aka Aljazeera Publishing, D2005-0309

Champagne Lanson v. Development Services, D2006-0006

Rohl, LLC v. ROHL SA, D2006-0645

Proto Software, Inc. v. Vertical Axis, Inc/PROTO.COM, D2006-0905



### **Nominet DRS Decisions**

Cardpoint plc v. Riga Industries, DRS 00538

Loans.Co.Uk Ltd v. Abbeyway Contracts Limited, DRS01399

Nokia Corporation v. Nokia Ringtones, DRS01493

Nike International Limited v. Robert Morrison, DRS04601

### **National Arbitration Forum Decisions**

Treeforms Inc v. Cayne Industrial Sales Corp, NAF 0095856

Energy Source Inc v. Your Energy Source, NAF 96364

Ultrafem Inc v. Warren R Royal, NAF 97682

### **Arbitration Forum Decisions**

Loblaws Inc v. Presidentchoice.inc/Presidentchoice.com (eResolution, June 7, 2000), AF-0170a--0170c

### **.za ADR Decisions**

Mr. Plastic Mining and Promotional Goods v. Mr Plastic CC, ZA2007-0001  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0001.pdf>>

Telkom SA Ltd v. Cool Ideas CC, ZA2007-0003  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0003.pdf>>

Telkom SA Limited v. Customer Care Solutions (Pty) Ltd, ZA2007-0004  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0004.pdf>>

Telkom SA Ltd & TDS Directory Operations (Pty) Ltd v. The Internet Corporation, ZA2007-0005  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0005.pdf>>

Telkom SA Ltd & TDS Directory Operations (Pty) Ltd v. The Internet Corporation, ZAAP2007-0005  
<<http://www.domaindisputes.co.za/downloads/decisions/ZAAP2007-0005.pdf>>

Standard Bank of South Africa Ltd v. Cox, ZA2007-0006  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0009.pdf>>

FIFA v. X Yin, ZA2007-0007  
<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0007.pdf>>

Homefront Trading 272 CC v. Ian Ward, ZA2007-0008

<<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0008.pdf>>

Holistic Remedies (Pty) Ltd & Amka Pharmaceuticals (Pty) Ltd v. Oxygen For Life (Pty) Ltd, ZA2007-0009 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-0009.pdf>>

Multichoice Subscriber Management Services (Pty) Ltd v. JP Botha, ZA2007-0010 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-00010.pdf>>

Newcote International Limited v. iLogic (Pty) Ltd, ZA2007-00011 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2007-00011.pdf>>

Automobiles Citroën v. Mark Garrod, ZA2008-00014 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00014.pdf>>

Luxottia U.S. Holding Corporation v. Preshal Iyar, ZA2008-00015 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00015.pdf>>

Aqua Divers International (Pty) Ltd v. Divetek (Pty) Ltd, ZA2008-00016 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00016.pdf>>

Mxit Lifestyle (Pty) Ltd v. Andre Steyn, ZA2008-00020 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00020.pdf>>

Sun International (IP) Ltd v. Will Green, ZA2008-00021 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00021.pdf>>

Samsung Electronics Co. Ltd v. Sean Elsworth, ZA2008-00022 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00015.pdf>>

Sun International South Africa Ltd. v. Blue Chip Accommodation CC, ZA2008-00023 <<http://www.domaindisputes.co.za/downloads/decisions/ZA2008-00023.pdf>>

## **Statutes**

ADR Regulations published in Regulation Gazette 8587 of Government Gazette 29405 of 22 November 2006, reg. 3, reg. 13(3), 9(a) - 9(c).

Close Corporations Act 69 of 1984, s. 20(2) (b)

Electronic Communications and Transactions Act, 25 of 2002, s. 59-68

Trade Marks Act 194 of 1993

Trade Marks Act of 1994 (Unite Kingdom)

### **Official Papers and documents**

Department of Communications Discussion paper on the establishment of an independent Domain Name Authority (1999) <<http://www.ecomm-debate.co.za>>

Department of Communications Green Paper on E-Commerce "Making it your business" (2000) <<http://www.ecomm-debate.co.za>>

WIPO Arbitration and Mediation Centre *Wipo Overview of WIPO Panel Views on Selected UDRP Questions* <<http://arbitrator.wipo.int/domains/search/overview/index.html>>

Zadna Policies and procedures for the .za name space (2006)  
<[www.zadna.org.za/policy/za.policy.and.procedures.20070802-GM.pdf](http://www.zadna.org.za/policy/za.policy.and.procedures.20070802-GM.pdf)>