

Decision

[ZA 2013-0147]

**.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)**

ADJUDICATOR DECISION

CASE NUMBER:	ZA 2013-0147
DECISION DATE:	18 October 2013
DOMAIN NAME	greefa.co.za
THE DOMAIN NAME REGISTRANT:	GREEFA SA
REGISTRANT'S LEGAL COUNSEL:	N/A
THE COMPLAINANT:	De Greef's Wagen -, Carosserie – en Machinebouw B.V
COMPLAINANT'S LEGAL COUNSEL:	Megan Reimers, Spoor & Fisher
2 nd LEVEL ADMINISTRATOR:	UniForum SA (CO.ZA)

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIPL”) on **26 July 2013**. On **29 July 2013** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on **29 July 2013** UniForum SA confirmed that the domain name had indeed been suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”), and the SAIPL’ s Supplementary Procedure.
- b) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **31 July 2013**. In accordance with the Regulations the due date for the Registrant’ s Response was **29 August 2013**. The Registrant submitted a letter with annexures on **26 August 2013**. The SAIPL notified the Registrant that it did not provide a full Response as required by Regulation 18. The Registrant was invited to submit a proper Response on 28 August 2013 as the deadline for its submission was 29 August 2013, but no further submission was received. The SAIPL undertook to refer the deficient Response to the Adjudicator for consideration as to its admissibility and merit. The SAIPL regarded the Registrant in Default and proceeded with the appointment of an Adjudicator.
- c) The SAIPL appointed **Mrs Mariëtte du Plessis** as the Adjudicator in this matter on **12 September 2013**. The Adjudicator submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.
- d) The Adjudicator noticed that the Complainant had submitted a document (Annexure “3”) that was mostly in Dutch. The Adjudicator requested a translation in English, which was received on **26 September 2013**. The Adjudicator further noticed from correspondence between the

Complainant's legal counsel and the SAIPL, that the Complainant had requested a copy of the Registrant's Response (regarded as deficient by SAIPL), but that the Response had not been forwarded to the Complainant. The Adjudicator requested SAIPL to send the Response to the Complainant to comment on its admissibility. In accordance with the Regulations the due date for the Complainant's Reply was **3 October 2013**. The Complainant submitted its Reply on **3 October 2013**.

- e) The Adjudicator gave consideration as to whether the "Response" dated **26 August 2013** should be admitted at all. It is a letter from the Respondent and has not been certified as contemplated by Regulation 18. It also does not contain all the information specified in Regulation 18.
- f) In the present case, as was the case in *suncityshuttle.co.za ZA2008-0025*, the Adjudicator sees no prejudice to the Complainant in having regard to the letter of **26 August 2013** and the documents attached thereto. As will be mentioned in more detail below, the contents of the letter confirm important allegations made by the Complainant, but other than that, the letter and the annexures carry little weight, in so far as the Registrant's case is concerned.
- g) The Adjudicator gave consideration as to whether a further statement from the Respondent should be requested in terms of Regulation 26 to supplement the defective "Response", but considered this would not be appropriate in the present circumstances. In the judgment of the Adjudicator, the Registrant was afforded an opportunity to file a proper Response and it must bear the consequences of failing to deliver such a Response in terms of Regulation 18. In any event, from the allegations contained in the Respondent's letter and the documents attached to the letter, it is clear that the comments made by the Registrant does not assist its case in this Dispute.

2 Factual Background

- 2.1 The Complainant is the proprietor of numerous trade mark registrations consisting of or incorporating the word GREEFA internationally and in South Africa. In particular, it is the proprietor of 12 South African registrations for the trade mark GREEFA or GREEFA logo in classes 7, 9 and 37, all dating from 2007. These registrations are in force.
- 2.2 The Complainant has used its GREEFA trade mark since the 1950s in relation to food and vegetable sorting, grading and packing machinery. It also offers a range of in-house measuring systems for internal and external quality detection of fruits and vegetables. The business under the GREEFA name has grown over the years and is said to be the market leader in grading technology worldwide. The GREEFA trade mark has also been used in South Africa.
- 2.3 The Complainant has more than 45 dealerships worldwide to provide assistance with the initial purchase of the machinery as well as support service thereafter. It appears that the Registrant was appointed in this capacity by the Complainant. The Complainant and the Registrant entered into an agency agreement (which was not annexed), accompanied by a licence agreement in November 2007. The licence agreement is relevant to this Dispute.
- 2.4 In June 2012 the business relationship between the Complainant and the Registrant ended and, as a result, the licence agreement was terminated.
- 2.5 It appears that the domain name was registered in the name of the Registrant, after the parties entered into the agency and licence agreements and currently resolves to the website of the Complainant.
- 2.6 The Registrant was contractually obliged to cease all use of the domain name greefa.co.za on termination of the licence agreement. The Complainant subsequently became aware that the Registrant was still continuing its use of the Disputed domain name. The Complainant instructed

its attorneys to write a letter of demand to the Registrant, demanding that it cease using the trade mark GREEFA and that it transfer the Disputed domain name to the Complainant.

- 2.7 The Registrant thereafter confirmed that the business relationship between the Registrant and the Complainant had been terminated in June 2012, but indicated that it was not willing to transfer the Disputed domain name, because certain business contracted under the name Greefa SA (Pty) Limited had not been finalised. The Registrant indicated that when that business had been finalised, the domain name will be transferred.

3 Parties' Contentions

3.1 Complainant

- a) The Complainant contends that the Disputed domain name is identical or similar to the name or mark GREEFA in which the Complainant has rights and that the domain name, in the hands of the Registrant is an abusive registration, in terms of Regulation 3(1)(a).
- b) The Complainant contends that the Disputed domain name incorporates the Complainant's GREEFA trade mark in its entirety.
- c) The Complainant contends that it is the proprietor of various South African trade mark registrations for GREEFA (see above) and that it enjoys statutory rights.
- d) The Complainant contends that, on the basis of its extensive worldwide use and use of its GREEFA trade mark in South Africa, it has acquired common law rights in the trade mark. The Complainant contends that the Complainant will suffer prejudice if its primary brand is allowed to be used by third parties without its express authorisation and in an uncontrolled manner.
- e) The Complainant contends that the Registrant's right to use the

GREEFA trade mark was regulated in terms of the agency agreement, as well as the licence agreement. The licence agreement entitled the Registrant to use the GREEFA trade mark in specific instances as authorised by the Complainant and for the duration of the licence agreement.

- f) The Complainant contends that the licensee was granted the right and non exclusive licence to use the name solely in connection with its business activities in South Africa, limited to soliciting orders for products from GREEFA and for promoting the products for such use in South Africa. The licensee was authorised to use the name at all times for the business and for no other purpose.
- g) The Complainant refers to the provision regulating the termination or expiration of the licence in terms of which the licensee agreed that, at the termination or expiration of the agreement, the licensee will be deemed to have assigned, transferred and conveyed to the licensor any trade rights, equities, goodwill, titles or other rights in and to the name which may have been obtained by the licensee or which may have vested in the licensee in pursuance of any endeavours covered thereby. The licensee also undertook to execute any instruments requested by the licensor to accomplish such assignment or transfer.
- h) The Complainant refers to the termination provision, which states that the licensee is required to cease all use of the name immediately or at the expiry of the name period. Furthermore, the licensee shall not thereafter use any trade name, trade mark, slogan, domain name, web address or email address similar to the GREEFA name. Of particular relevance is that the licensee agreed, upon request of the licensor, to immediately transfer any and all title and right to the domain name including the name “GREEFA” to the licensor.
- i) The Complainant contends that the licence agreement’s termination clauses are clear and that the Registrant is required to transfer the domain name to the Complainant and that its failure to do so is a

clear breach of the licence agreement. The Complainant contends that the Registrant is deliberately preventing the Complainant from holding the Disputed domain which wholly incorporates its GREEFA trade mark.

- j) The Complainant contends that it cannot allow its brand to be used if such use has not been authorised by it and the uncontrolled use of the brand by third parties would dilute the value of the brand and would be prejudicial and detrimental to the Complainant's rights in the GREEFA brand.
- k) The Complainant contends that if the Registrant is allowed to retain control of the Disputed domain name, it will be free to use the domain name in any manner in which it deems fit.
- l) As the Registrant is a company which acted as a dealership of the Complainant in South Africa, the Complainant contends that its continued registration of the Disputed domain will inevitably lead to confusion, causing consumers to believe that the Registrant is still an authorised dealer of the Complainant. Accordingly, the Complainant contends that the Registrant's continued use of the Disputed domain, following the termination of the business relationship and the licence agreement and the Complainant advising the Registrant that it may not use the trade mark in the domain name, amounts to an abusive registration.
- m) The Complainant seeks a decision for the transfer of the domain to it.

3.2 Registrant

- a) The Registrant submitted a Response in the form of a letter sent by Mr. Johannes Broos to the provider. The letter is not in the form of an affidavit. Although the Registrant did not submit its Response in the required format, the Adjudicator has referred to the contents, as a number of important aspects of the Complainant's case have been

confirmed.

- b) The Registrant confirms in this letter that it had been the agent of the Complainant until June 2012. It is perhaps appropriate to quote the salient parts of the letter:

“Greefa SA (Pty) Ltd was the agent of Greefa Netherlands from May 2011 until June 2012.

1/ In June 2012 Greefa SA (Pty) Ltd has linked its website www.greefa.co.za direct to the www.greefa.nl website.

2/ In June 2012 Greefa SA (Pty) has made available various e-mail addresses in the “greefa.co.za” domain for use of employees of the new Greefa agent MED Automation in Paarl free of charge.

3/ Since June 2012 Greefa SA (Pty) Ltd is not involved in any new business of any kind. The only activities of Greefa SA (Pty) Ltd are to finish business conducted during the period of agency of Greefa Newlands and from before June 2012.

4/ Business conducted mentioned under 3 is Colors ordered at 31st August 2011. Attached is the original order and status of the still open account with Colors from 28 February 2013.

5/ The new Greefa agent in South Africa, MED Automation is in possession parts and tools owned by Greefa SA (Pty) Ltd, and up till today these parts are not paid for and no acceptable offer for these parts and tools is received from them. Attached are a list of these tools and parts and a letter from my attorney to MED Automation regarding this issue.

6/ Issues with SARS from 2011 and 2012 on VAT and PAYE are still in process and unsolved between SARS and Greefa SA (Pty) Ltd.

7/ Greefa SA (Pty) Ltd will be changed from name immediately after the issues of 4, 5 and 6 are solved and the domain given up. There is no other intention of Greefa SA (Pty) Ltd than these issues being

finalised as soon as possible.”

- c) It is important to note that the Registrant confirms the following:
 - i) It had been the agent of the Complainant until June 2012;
 - ii) It had linked its website www.greefa.co.za (effectively the Disputed domain) to the Complainant’s website;
 - iii) That it will transfer the Disputed domain to the Complainant, once various business complications, which do not involve the Complainant, had been resolved.
- d) The annexures attached to the Registrant’s letter refer to the Disputes with third parties, not the Complainant.
- e) As indicated above, the Registrant was provided an opportunity to rectify its Response and submit it in a format that would be admissible as evidence. The Registrant has not rectified the deficiency.

3.3 Complainant:

Response

3.3.1 The admissibility of the Registrant’s Response:

- a) The Complainant contends that the Response filed by the Registrant is deficient in almost every aspect and as such does not comply with the requirements of Paragraph 18 of the ADR Regulations.
- b) The Complainant further contends that the Response is vague in the extreme.

3.3.2 The Reply

- a) The Complainant replies to the Registrant’s Response, in the event that the Adjudicator rules that the Response is admissible.
- b) The Complainant refers to the few documents filed by the Registrant

and contends that the documents did not clarify what the Registrant's Response is to the Complainant or why the Disputed domain registration is not abusive.

- c) The Complainant contends that the Registrant agreed that the relationship between the Registrant and the Complainant ended in June 2012.
- d) The Complainant contends that the Registrant's obligation to transfer the Disputed domain could not be delayed until the Registrant has resolved unfinished business transactions under the entity Greefa SA (Pty) Ltd.
- e) The Complainant contends that it would be easy and simple for the Registrant to advise a particular third party of a new domain name at which the Registrant should be contacted. It contends that transfer of the Disputed domain to the Complainant would not be prejudicial to the Registrant.
- f) The Complainant again contends that any use of the Disputed domain by the Registrant could result in confusion of consumers. The Complainant refers to a website link which it contends points to websites where the Registrant's services are advertised under Greefa SA (Pty) Ltd, and which includes the sale of products which are not GREEFA branded products. The Complainant contends that the allegation of the Registrant (in the letter submitted as its Response), that it is no longer trading as Greefa SA is therefore not correct.
- g) The Complainant further contends that the offer by the Registrant to provide email addresses on the Dispute domain to the employees at MED and the resultant "link" between the Registrant and the Complainant's new licensee was undesirable. The Complainant contends that the Registrant would be able to do what it wishes with the Disputed domain and addresses, as it had the domain codes. It

contends as the Registrant is a competitor of the new licensee of the Complainant, the situation had become untenable.

4 Discussion and Findings

4.1 Complainant's Rights

4.1.1 Complainant' s has statutory and common law rights in respect of the trade mark GREEFA which is identical or similar to the domain in Dispute, being greefa.co.za.

4.1.2 In the judgment of the Adjudicator, the Complainant has proven that it had the relevant intellectual property rights in the GREEFA trade mark to found its complaint.

4.1.3 The Adjudicator is accordingly satisfied that the Complainant has the requisite rights in respect of the mark GREEFA, which is identical to the domain greefa.co.za.

4.1.4 The Adjudicator considers that the only real issue in the proceedings is whether the domain name registration constitutes an “abusive registration” .

4.2 Abusive Registration

4.2.1 The regulations define “abusive registration” as - “a domain name which either - (a) was registered or otherwise acquired in manner which at the time when the registration acquisition took place, took unfair advantage of or was unfairly detrimental to the complainant’ s rights; or (b) has been used in a manner which took unfair advantage of or was unfairly detrimental to the complainant’ s rights.”

4.2.2 The Complainant is required to prove on a balance of probabilities that the required elements are present. The Registrant’ s right to use

the GREEFA trade mark was regulated in terms of an agency agreement and the accompanying licence agreement that was annexed to the Complaint as “Annexure 2”.

4.2.3 The licence agreement makes provision for the transfer of a domain and email addresses following the termination of the licence agreement.

4.2.4 The Registrant does not Dispute either the termination of agreement or the obligation to transfer the domain. The Registrant’s entitlement to register and use the domain, accordingly fell away.

4.2.5 A new agent and licensee has been appointed by the Complainant and the Registrant’s control of the Disputed domain name will interfere with the Complainant’s right to use the domain name itself or authorise its new licensee to use the domain. The situation is exacerbated by the fact that the Registrant has effectively become a competitor of the Complainant’s new licensee.

4.2.6 The Complainant is prevented from exercising its right to use the domain, as it chooses to. The uncontrolled use of the domain by the Registrant would prejudice the Complainant.

4.2.7 The Adjudicator accordingly finds that the Registrant’s use of the domain name is abusive.

5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, “greefa.co.za” be transferred to the Complainant.

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MARIËTTE DU PLESSIS

SAIPL SENIOR ADJUDICATOR

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