

ADJUDICATOR DECISION

CASE NUMBER:	ZA 2010-0042
DECISION DATE:	25 March 2010
DOMAIN NAME	unipipe.co.za
THE DOMAIN NAME REGISTRANT:	Pieter Pretorius
REGISTRANT'S LEGAL COUNSEL:	none
THE COMPLAINANT:	Uponor Innovation AB & others
COMPLAINANT'S LEGAL COUNSEL:	Hahn & Hahn Inc
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

Contents

1) Procedural History	2
2) Factual Background.....	2
3) Parties' Contentions	4
a. Complainant.....	4
b. Registrant.....	6
4) Discussion and Findings	6
a. Complainant's Rights.....	7
b. Abusive Registration.....	8
c. Offensive Registration.....	10
5) Decision.....	11

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on 18 January 2010. On the same date, the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on 8 March 2010, UniForum SA confirmed that the domain name had 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 2 February 2010. In accordance with the Regulations the due date for the Registrant's Response was 2 March 2010. The Registrant did not submit any response on or before this date and the SAIPL notified the Complainant of its default the following day.
- c. In light of the lack of Response from the Registrant, it was unnecessary for the Complainant to file a Reply.
- d. The SAIPL appointed Brian Wimpey as the Adjudicator in this matter on 11 March 2010. The trainee adjudicator is Vanessa Ferguson. The Adjudicator has 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.

2) Factual Background

- a. The Complainants in this matter are Uponor Innovation AB and Uponor GmbH, affiliates of the Uponor Group. The complainants' legal

representative has referred to both parties as “the Complainant” and I shall continue to do so where convenient.

- b. Uponsor Innovation AB is the proprietor of the following South African trade mark registrations;
- No. 2003/07064 UNIPIPE in international class 6 for *"Tubes of non-precious metals, including tubes with non-metallic coating or cover; tube fittings mainly consisting of metal for interconnection of tubes or apparatus or armatures."*
 - No. 2003/07065 UNIPIPE in class 17 for *"Tubes and pipes of plastics (not for construction purposes), including corrugated and profile tubes, multi-walled, multicoated, compound tubes mainly consisting of plastics (not for construction purposes); sealing rings and strips; tube fittings mainly consisting of plastics for interconnection of tubes or with apparatus or armatures."*
- c. Copies of the extracts from CIPRO’s database were attached as annexures A and B to the complaint, from which it is apparent that the above trade marks are in force.
- d. Uponsor GmbH (formerly known as Uponsor Rohrsysteme GmbH) entered into an exclusive distribution agreement with Waterdoc LTD (more correctly Waterdoc SA (Pty) Ltd as alleged by the Complainant) in terms of which the latter were appointed as sole distributor of the former’s UNIPIPE system. The agreement, attached as annexure C to the complaint, is dated 25 October 2001. The agreement was signed on behalf of Waterdoc LTD (sic) by the Registrant, Pieter Pretorius. For the sake of convenience I will henceforth refer to the aforesaid distribution agreement as ‘the agreement’ and the distributor as ‘Waterdoc’.
- e. Article 9 of the above agreement stipulates the following:

- *The distributor shall use the supplier's trade names or any other symbols but only for the purpose of identifying the products within the scope of the contract and in the supplier's sole interest.*
- *The distributor shall neither register, nor have registered, any of the above mentioned trademarks, tradenames or symbols of the supplier (or which are similar to those of the supplier), in the Territory or elsewhere.*
- *Except for the purpose of Article 27, the right to use the supplier's trademarks, tradenames or symbols, as provided for under the first paragraph of this article, shall cease immediately for the distributor on the expiration or termination for any reason of this present contract.*

- f. The Registrant registered the domain name unipipe.co.za on 12 October 2005.

3) Parties' Contentions

a. The Complainant makes the following allegations:

- i. The Complainant and Waterdoc, the latter represented by the Registrant, Pieter Pretorius, entered into an exclusive distribution agreement in October 2001 in terms of which the latter was authorised to distribute 'the UNIPIPE system' as described in the agreement.
- ii. The Complainant is the registered proprietor of the trade mark UNIPIPE, which registered rights date flow from 30 April 2003.
- iii. On 12 October 2005, the Registrant registered unipipe.co.za.

-
- iv. At the time that the Registrant registered unipipe.co.za, and in view of the above agreement, the Registrant must have been aware that the rights to the name UNIPIPE vested in the Complainant exclusively, and that Waterdoc only had limited rights to use the name.
 - v. Furthermore, in terms of the above agreement, the Registrant was not authorised to use or register UNIPIPE in his personal capacity.
 - vi. The disputed name is identical to the Complainant's registered trade marks as well as the name of the UNIPIPE system identified in the agreement.
 - vii. Unipipe.co.za is the address for an active website which redirects the user to the website of SMART MLC Pipe Solutions, which sells products in direct competition with those of the Complainant under the name U-SMART.
 - viii. The Registrant is the registrant of the domain name usmart.co.za, and users of www.usmart.co.za are directed to SMART MLC Pipe Solutions.
 - ix. The Registrant is a director of an unspecified number of companies which incorporate the name U-SMART PIPING and which trade in products that both compete with the Complainant's products and are encompassed by the Complainant's registered trade marks.
 - x. Unipipe.co.za is an abusive registration in the hands of the Registrant in terms of Regulation 4 of the Electronic Communications and Transactions Act 25 of 2002 ('the Act') in that the registration and the use of unipipe.co.za:
 - Is unfairly disrupting the business of the Complainant by diverting business to the Registrant.

- Is preventing the Complainant from exercising its rights to the undisturbed use of its trade mark.
- Is leading the public into believing that the domain name UNIPIPE.CO.ZA is authorised by, or connected with the Complainant and/or that USMART products are linked in some way to the Complainant.

b. Registrant

The Respondent has not challenged any of the Complainant's contentions.

4) Discussion and Findings

Regulation 3(1)(a)

i. For the Complainant to succeed in this dispute, it is required to prove on a balance of probabilities, that:

- a. It has rights in the name or trade mark UNIPIPE; and
- b. The disputed name unipipe.co.za is identical or similar to UNIPIPE; and
- c. The disputed name is an abusive registration in the hands of the Registrant.

ii. An abusive registration is defined in the Regulations to mean a domain name which either:

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

-
- *Has been used in as manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.*

a. Complainant's Rights

- i. The Complainant has alleged that it has registered trade mark rights in UNIPIPE by virtue of trade mark registration nos. 2003/07064 and 2003/07065, which rights date from 30 April 2003.
- ii. The aforesaid trade mark registrations cover the following goods:
 - *"Tubes of non-precious metals, including tubes with non-metallic coating or cover; tube fittings mainly consisting of metal for interconnection of tubes or apparatus or armatures"* and
 - *"Tubes and pipes of plastics (not for construction purposes), including corrugated and profile tubes, multi-walled, multicoated, compound tubes mainly consisting of plastics (not for construction purposes); sealing rings and strips; tube fittings mainly consisting of plastics for interconnection of tubes or with apparatus or armatures."*
- iii. The Complainant has alleged, without contradiction by the Registrant that the goods offered for sale by the latter via unipipe.co.za, its linked website usmart.co.za, and through diverse companies of which he is a director, fall within the scope of the goods detailed above.
- iv. In light of Complainant's trade mark registrations which predate the Registrant's registration of unipipe.co.za by some two years, the Adjudicator finds that the Complainant has relevant registered rights upon which to found this complaint.

b. Abusive Registration

- i. The Complainant's averments are set out in detail in the preceding paragraphs, but can be succinctly expressed as follows:
 - The Registrant registered Unipipe.co.za despite the Complainant's prior registered trade mark rights and in direct contravention of Article 9 of the exclusive distributor agreement between the parties, which both prohibits the distributor (Waterdoc) from registering any "*trademarks, trade names or symbols*" of the Complainant and directs Waterdoc "[to] *use the [Complainant's] trade names or any other symbols... only for the purpose of identifying the products within the scope of the contract*"
 - The Registrant, Pieter Pretorius, was a director of Waterdoc at the time of the signing of the agreement, and indeed signed the agreement on behalf of Waterdoc, and therefore knew of the Complainant's claim to and rights in the trade mark and trade name UNIPIPE
 - The Registrant is offering products for sale in direct competition with the Complainant's goods at www.unipipe.co.za and www.usmart.co.za, which latter website is linked to the former.
- ii. On the basis of the facts above, the Adjudicator is satisfied that unipipe.co.za is preventing the Complainant from exercising its rights to the untrammelled use of its trade mark. An unreported judgment of the WLD (as it was then known) delivered on 9 November 1969 in the 'Dan River' case is authority (were it needed) for the fact that registered trade marks confer on the owner thereof the *exclusive* [my emphasis] rights to use those marks in South Africa. The exclusivity of

the right owned by the Complainant in UNIPIPE as a badge of either origin or quality is likely to be compromised or eroded by the continued ownership of unipipe.co.za by the Registrant.

- iii. Although the Complainant has not alleged that the registration of unipipe.co.za is intentionally blocking the registration of a name or mark in which it has rights, this indication of an abusive registration is clearly also present in this matter. Clearly, the Complainant cannot register *unipipe* as a co.za second level domain name in the face of the Registrant's unauthorised registration of unipipe.co.za.
- iv. It is the evidence of the Complainant that www.unipipe.co.za is offering products for sale which compete with the Complainant's products, or which fall within the compass of the Complainant's trade mark protection. Various foreign decisions in domain name disputes (see for example WIPO/D2000-0777, NAF/FA 94942, NA/FA 94963 and NAF/FA 95402) are authority for the proposition that the disruption of a business of a complainant may be readily inferred if the Registrant has registered a variation of the Complainant's trade mark. How much more so in cases where the Registrant has registered the *identical* mark as a domain name? Furthermore, Section 34 of the trade marks act 194 of 1993 requires only a likelihood of deception or confusion *qua* competing trade marks for trade mark infringement to be present.
- v. The Adjudicator is therefore satisfied that the use by the Registrant is likely to lead the public into believing that the domain name unipipe.co.za is authorised by, or connected with the Complainant and/or that USMART products are linked in some way to the Complainant.
- vi. In terms of regulation 28 (1) of the Act if a party does not comply with any provision of or requirement under this procedure or any request from the Adjudicator, the Adjudicator may, in the absence of exceptional circumstances, draw such inferences therefrom, as he or

she considers appropriate. There are various defences available to the Registrant under regulation 5 of the Act to combat a complaint of an abusive registration, namely that he or she has been using the registration in good faith, or has been commonly known by that name, and so on, but the Registrant has failed to counter the complaint in part or in whole despite being given an opportunity to do so. In the circumstances, I am inclined to draw the inference that the Registrant cannot counter the Complainant's allegations, and am therefore constrained to accept the evidence of the Complainant as uncontested.

vii. In the circumstances, it is the Adjudicator's conclusion that unipipe.co.za is an abusive registration by virtue of the fact that it :

- *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; and*
- *Has been used in as manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights*

c. Offensive Registration

The Complainant has not alleged that unipipe.co.za is contrary to law, *contra bonos mores* or is likely to give offence to any class of persons, and accordingly the Adjudicator is not called upon to determine whether unipipe.co.za constitutes an offensive registration in terms of the regulations.

5. Decision

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

.....
Brian Wimpey

SAIPL SENIOR ADJUDICATOR

www.DomainDisputes.co.za