

Decision

[ZA2011-0069]

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

ADJUDICATOR DECISION

| | |
|------------------------------|---|
| CASE NUMBER: | ZA2011-0069 |
| DECISION DATE: | 2 August 2011 |
| DOMAIN NAME: | samed.co.za |
| THE DOMAIN NAME REGISTRANT: | Saints web design |
| REGISTRANT'S LEGAL COUNSEL: | Venter Dupper Attorneys – for the Statement of Appeal only |
| THE COMPLAINANT: | South African Medical Devices Industry |
| COMPLAINANT'S LEGAL COUNSEL: | Edward Nathan Sonnenbergs |
| 2nd 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 **18 February 2011**. On **20 February 2011**, the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue and, on **20 February 2011**, UniForum SA indicated that the domain name had been suspended. The SAIPL verified that the Dispute [following an amendment of 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 notified the Registrant of the commencement of the Dispute on **23 February 2011** and of the due date for the Registrant's Response, **24 March 2011**.
- c) The Registrant did not submit any Response, and accordingly, the SAIPL notified the Registrant of its default on **24 March 2011**.
- d) The SAIPL appointed Mariëtte du Plessis (nee Viljoen) as the Adjudicator in this matter on **4 April 2011**.
- e) The Adjudicator handed down her decision on **20 April 2011**.
- f) In accordance with the Regulations, the due date for filing a statement of intention to appeal against the decision of the Adjudicator was **17 May 2011**. The Registrant, through its attorneys, submitted its statement of intention to appeal on **29 April 2011**.
- g) Selvan Pillay, representing the Registrant, submitted a document setting out "The reasons for the appeal". This document was not on oath and included new evidence, issues that will be dealt with in due course.
- h) The Complainant submitted its Reply in good time.
- i) An appeal panel was appointed and the Adjudicators have each submitted a Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

- j) The panel consists of Alan Joseph Smith, Christopher Karl Job and Andre van der Merwe.

2 Factual Background (including undisputed evidence before the adjudicator)

- a) The evidence indicates that the Complainant was established in 1985 and is the representative association of the South African medical device industry. The Complainant was founded as an association in 1985 and was incorporated as a Section 21 company in 2002.
- b) The Complainant has, since it was established, also used the name and what it refers to as “the acronym” SAMED. The Complainant focuses on health care matters and promotes, represents and safeguards the interests of its members in the South African medical device and in vitro diagnostics industries and represents members in both the private and public sectors.
- c) The Complainant has over 140 members, comprising South African companies involved in the manufacture and supply of products and services to the healthcare fraternity industry. The Complainant has made extensive use of its SAMED mark in South Africa since 1985. Some of the services offered by the Complainant to its members over the years include:
- (i) providing a forum for discussion of matters affecting the manufacturers and distributors of medical and surgical products in South Africa;
 - (ii) promoting and encouraging amongst its members ethical principles and practices, voluntarily agreed upon, and publishing a Code of Marketing Practice;
 - (iii) cooperating with Government and regulatory authorities, whether national or international;
 - (iv) working towards harmonisation of standards and regulatory requirements within the area of medical devices, manufacture and supply;
 - (v) promoting a spirit of cooperation and shared responsibility among public and private healthcare professionals and providers, including the State

and other relevant sectors, within the context of effective, efficient and transparent healthcare delivery;

- (vi) providing periodic updates on issues and details of Government Gazette notices published in the medical industry, as well as information on local and international trade enquiries.
- d) The Complainant's mark has been used on letterheads and business cards, application forms for membership, quarterly newsletters, its constitution, letters to members and brochures and in advertisements placed in various medical journals.
- e) According to the co.za WHOIS server, the domain name **samed.co.za** was registered in the name of Saints Web Design, the present Registrant, on 5 February 2009.
- f) The Complainant claims that it first became aware of the Registrant's registration of the **samed.co.za** domain name during August 2010. At the time that it first became aware of the name, the domain name **samed.co.za** did not resolve to a website but, instead, redirected internet traffic to a website at **www.medschool.co.za**, a medical information services website.
- g) The Complainant filed applications to register the trade mark SAMED in logo format under application nos. 2010/199446 in classes 5, 10 and 44 on 7 September 2010, which are still pending.
- h) For a period of time, both the Complainant and the Registrant offered or advertised services of interest to the medical industry. After the Complainant's attorneys had sent a letter of demand to the Registrant, the domain name was redirected to a website at <http://saints.co.za>.
- i) The Adjudicator found that the disputed domain name, in the hands of the Registrant, was an abusive registration. As the Registrant did not submit a response, she stated that, on the evidence, this is the only conclusion that could be drawn. She held that the fact that the Registrant, after receiving the letter of demand from the Complainant's attorneys, redirected the domain to an unrelated website could not change her conclusion.

- j) In his unsworn statement, on appeal, Selvan Pillay, representing the Registrant, makes only two statements that notably conflict with this evidence. These are:
- (i) that SAMED is not an acronym for the Complainant's name; and
 - (ii) that the domain did not point to any web site from 5 February 2009 until the end of November 2010, after which it did point to www.medschool.co.za before being redirected to a website at <http://saints.co.za>.

3Parties' Contentions

3.1 Complainant's allegations

- a) The Complainant has made extensive use of its SAMED trade mark since 1985 and has acquired common law rights in the mark.
- b) The Complainant is the Registrant of the domain name **samed.org.za**, having previously registered the domain **samed.co.za** and used it until 2008, inadvertently allowing its registration for **samed.co.za** to lapse.
- c) Certain members and clients of the Complainant still try to access the Complainant's website previously located at www.samed.co.za, believing the domain belongs to the Complainant, due to the fact that it was previously the primary domain and website address of the Complainant.
- d) The Complainant contends that it established common law rights in the SAMED name and trade mark before the Registrant registered the domain **samed.co.za** and that the domain is identical or similar to its SAMED trade mark [Regulation 3(1)(a)].
- e) The Complainant submits that the Registrant's use of the SAMED trade mark in registering the domain name **samed.co.za** and diverting it to the website <http://www.medschool.co.za> was to attract customers that would ordinarily be intended for the Complainant, to its Med School website. Accordingly, the Complainant submits that the

Registrant used the domain name in a way that could lead members of the public to believe that the domain name is connected with the Complainant [Regulation 4(1)(b)].

- f) The Med School website provides to students, lecturers and professionals in the medical industry information relating to the medical and health services industry. The services offered on the Med School website are services that are similar to those offered by the Complainant.
- g) The domain name was registered or acquired in a manner that, at the time when the registration took place, took unfair advantage of, or was unfairly detrimental to the Complainant's rights [Definition of "abusive registration" – Regulation 1(a)].
- h) The Registrant's registration of the **samed.co.za** domain name unfairly disrupts the Complainant's business and is preventing the Complainant from exercising its rights in the SAMED trade mark, as the Registrant has threatened to oppose the Complainant's trade mark applications. The Complainant submits that the relevant manner of use to be considered by the Registrant is the use at the time when the domain name was registered or acquired [Regulations 4(1)(a)(iii) and 1(a)].
- i) The Registrant, only after receiving a letter of demand from the attorneys of the Complainant, redirected the domain name to another website.
- j) The Registrant's refusal to transfer the domain name voluntarily is indicative of its *mala fide* intention when it registered the **samed.co.za** domain name initially.
- k) The domain name in the hands of the Registrant is, therefore, an abusive registration and the Complainant sought a decision for the transfer of the domain name to it.

3.2 Registrant's allegations

-
- a) The Registrant has a subscription with Legal Sense and instructed Legal Sense to attend to the initial complaint, which it failed to do. As a result, a Response was not lodged. The appeal follows this failure, which was not within the control of the Registrant.
 - b) The domain name is only open to dispute if it was acquired illegally or is offensive or it infringes the trade mark rights of another, which is not the case here.
 - c) There is no trade mark infringement because:
 - (i) the registration of the domain name pre-dates the Complainant's trade mark applications; and
 - (ii) the classes of the applications are irrelevant to the intended use of the domain name and there is no conflict in trade.
 - d) The domain name was acquired for use in a public service for health education, is not offensive and was registered through the normal registration process and, therefore not unlawfully, without any knowledge of the Complainant or of prior rights.
 - e) SAMED is generic and is used by many companies, as reflected on the CIPRO web site, so the Complainant cannot claim rights in it.
 - f) SAMED is not an appropriate acronym for the Complainant's name.
 - g) The Complainant is adopting bullying tactics
 - h) The Registrant is not responsible for the Complainant's failure to renew the registration for **samed.co.za**
 - i) The Complainant is an organisation and should not have any right to a .co.za registration – it owns and can use **samed.org.za**
 - j) The Registrant's domain name did not point to any web site from 5 February 2009 until the end of November 2010, after which it did point to www.medschool.co.za, a site for a learning management system for health science education, before being redirected to a website at <http://saints.co.za>. This was not an attempt to attract custom from the

Complainant.

- k) The name was not adopted in bad faith.
- l) In order to protect its business, the Registrant will oppose the Complainant's trade mark applications.

3.3 Complainants Reply

- a) The Complainant primarily denies statements made by the Registrant, re-iterates various statements from the founding evidence, which do not require repetition here, or makes legal arguments.
- b) The Complainant denies having used bullying tactics and claims that it was simply exercising its rights.
- c) The Registrant pointed its domain name to www.medschool.co.za, which provided medical information services, which are services overlapping with those of the Complainant, intends to use its domain name in respect of the provision of healthcare information to the public, and clearly has no intention of avoiding confusion.
- d) The claim that the SAMED name is generic or is a common company name is unfounded, as reflected in a search through the Companies register, which refers only to the Complainant and one other company (Samed Freight).
- e) Samed is an appropriate acronym but that is irrelevant.
- f) The registration of **samed.org.za** by the Complainant is irrelevant.
- g) It denies that the domain name did not point to the website www.medschool.co.za until November 2010.

4 Discussions and Findings

4.1 Complainant's Rights

- a) The Adjudicator stated that the Complainant relies on its common law rights in the trade mark SAMED, which it has acquired as a result of its use of the name and trade mark since 1985, and she did not rely on the Complainant's trade mark applications or possible infringement as a basis for her decision. We can find no fault with this approach.

-
- b) We also agree that the Complainant has provided evidence proving, on a balance of probabilities, that it had already established common law rights in the SAMED name and mark at the time of the registration of the domain name by the Registrant. This was not disputed at the time that the earlier decision was handed down and, even in the Registrant's allegations in the appeal, the common law rights resulting from use are not disputed.
 - c) The Adjudicator was therefore satisfied that the Complainant has sufficient rights in respect of the mark SAMED to form a basis for the objection to the domain name **samed.co.za**. Apart from the Registrant's claims that the Complainant does not have trade mark rights resulting from the Complainant's trade mark applications, the existence of these rights is not in dispute and there is nothing to persuade us that the Adjudicator was wrong.
 - d) We are also of the view that the Complainant has established that it had common law rights in the SAMED name and mark at the time of the registration of the Registrant's domain name.

4.2 Issues in this appeal

- a) The Adjudicator therefore considered that the only real issue in the proceedings before her was whether or not the domain name registration constitutes an "abusive registration" in the light of these rights. Although that is a matter that we must also determine, the appeal that is now before us raises procedural issues that must first be addressed.
- b) The first issue arises from the Registrant's claim that it instructed legal representatives to respond to the initial complaint and that its instructions were not followed. As a result, a Response was not lodged. Although we have nothing to verify this claim, we have no reason to doubt it.
- c) Regulation 32(9) states that we, as the appeal panel, may not take into account new evidence presented in this appeal unless we believe "that

it is in the interest of justice to do so”.

- d) Having considered the allegations made by the Registrant, we are of the view that it would be inequitable for the Registrant to be denied the right to be heard because of a failure of its legal representative. We will, therefore, consider the Registrant’s submissions that were presented for the first time in this appeal.
- e) The second issue that we face is the Registrant’s failure to submit its evidence under oath and the extent to which that might influence its credibility.
- f) However, on considering the evidence and the Complainant’s Reply, we are not faced with any dispute of fact that will influence the outcome of the appeal. We will, therefore, accept the evidence at face value.
- g) Therefore, like the Adjudicator, what we have to decide is whether or not the domain name registration constitutes an “abusive registration” on the evidence before us, taking into account the Complainant’s common law rights.

4.3 **Abusive Registration**

- a) For the domain name, in the hands of the Registrant, to be an abusive registration, Regulation 3 requires the Complainant to prove that it has rights in respect of a name or mark that is identical or similar to the domain name. In turn, an abusive registration is, in terms of the definition in Regulation 1 and to the extent that it is relevant, a domain name that:
 - i) was registered in a manner that, at the time when registration took place, took unfair advantage of or was unfairly detrimental to the Complainant’s rights; or
 - ii) has been used in a manner that takes unfair advantage of or is unfairly detrimental to the Complainant’s rights.
- b) The provisions in Regulation 4 guide us in our interpretation of this

requirement. They indicate the nature of such a registration and also set out circumstances that may indicate that a domain name is abusive. These circumstances include those in which the Registrant:

- i) intentionally blocks the registration in which the Complainant has rights;
 - ii) unfairly disrupts the business of the Complainant;
 - iii) prevents the Complainant from exercising its rights;
 - iv) is using 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.
- c) The Complainant, in its complaint, alleges that:
- i) the purpose of the domain name registration was to attract customers that would ordinarily be intended for the Complainant,
 - ii) the Registrant used the domain name in a way that could lead members of the public to believe that the domain name is connected with the Complainant,
 - iii) the domain name was registered or acquired in a manner that, at the time when the registration took place, took unfair advantage of, or was unfairly detrimental to the Complainant's rights,
 - iv) the domain name registration unfairly disrupts the Complainant's business and is preventing the Complainant from exercising its rights in the SAMED trade mark.
- d) We will comment individually on these allegations and their relevance to the issues before us.
- e) There is no evidence to show that the domain name registration unfairly disrupts the Complainant's business or is preventing the

Complainant from exercising its rights in the SAMED trade mark. The Complainant's own evidence shows or suggests that it continues to conduct its business as before, that it now uses the domain name **samed.org.za** and that it voluntarily stopped using the name **samed.co.za**. The closest that we come to any suggestion of a possible disruption of business is a claim that an unspecified but seemingly few people are initially approaching the wrong address. However, the evidence does not go so far as to show that business is disrupted. We are of the view that, to succeed on these grounds, the Complainant should have shown that a substantial number of people will be affected (see Commercial Auto Glass (Pty) Ltd v BMW AG 2007 (6) SA 637 (SCA)). It has not done so .

- f) Similarly, there is no evidence that the domain name was registered or acquired or was later used in a manner that took unfair advantage of or was unfairly detrimental to the Complainant's rights to the extent of causing substantial economic loss to the Complainant. We are aware that, in Kwikot (Pty) Limited v Home Technologies CC, Dominic Symes ZA2010-0061, the Adjudicator applied a fairly liberal approach to the issue of unfair advantage and detriment. The issue that concerns us is the extent to which the decision of the Constitutional Court in Laugh It Off Promotions CC v. SAB International (Finance) B.V. t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae) 2006 (1) SA 144 (CC), applied in interpreting a corresponding provision in the Trade Marks Act, guides us here. Clearly, we would be guided only by that decision when interpreting a matter in terms of the Trade Marks Act. However, in the present context, Regulation 4 again comes to our assistance and we consider ourselves bound to rely on its guidance, taking into account that there was no corresponding provision in the Trade Marks Act to guide the Constitutional Court when it handed down its decision.
- g) Regarding the allegation that the purpose of the domain name registration was to attract customers that would ordinarily be intended

for the Complainant, the situation is more complex. There is no direct evidence to establish that the parties compete.

- h) The Complainant is an association and is concerned with matters affecting the manufacturers and distributors of medical and surgical products in South Africa. It acts in the interests of its members. For the time that the Registrant directed its domain name to its web site at www.medschool.co.za, the Registrant provided information relating to the medical and health services industry to students, lecturers and professionals in the medical industry. It claims that the purpose of its site is to provide a learning management system for health science education.
- i) The activities are, at face value, directed at different aspects of the health industry and they are not, it seems, intended to attract the same customers. Bearing in mind that the onus of proof is on the Complainant, we do not have substantial evidence that indicates that the Registrant intends to attract the Complainant's customers. The situation that we face is, in many respects, analogous to that in Capital Estate and General Agencies (Pty) Ltd and Others v Holiday Inns Inc and Others 1977 (2) SA 916 (A). Although the domain names appear to be directed at different aspects of the health industry, the Complainant has shown that it had used the domain name **samed.co.za** for a substantial time in relation to activities directed at that industry. Also, when the Complainant failed to renew the registration, the Registrant took it and directed it at members of the health profession. In doing so, it appears to us, at face value, that we can draw a reasonable conclusion that it "is attempting to capitalise on the respondents' reputation", as set out in the Capital Estate case. By allowing the Registrant's evidence to be admitted, we have given to the Registrant an opportunity to explain that this initial impression is not correct. It has failed to do so.
- j) For the purpose of deciding whether or not the Registrant does intend

to restrict its activities to the provision of healthcare information to the public, the only other guides that we have regarding the Registrant's intentions are its own claims and actions. First, there is its claim that it will oppose the Complainant's trade mark applications, for which purpose it must have an interest in doing so, as required by Section 20 of the Trade Marks Act. Of course, the fact that the Registrant has threatened to oppose the Complainant's trade mark applications is not an absolute indication that it will rely on the domain name, or activities provided under the domain name, to do so but the threat of opposition does tend to support the Complainant's claim even if it is, perhaps, not conclusive. Second, there is the Registrant's earlier use of the domain name in relation to the provision of information in the health industry. This was provided to students, lecturers and professionals in the medical industry. Although these activities have ceased, there is a reasonable indication that the Registrant's intentions have been altered by the earlier threats of the Complainant.

- k) That leaves us with the allegation that the Registrant used the domain name in a way that could lead members of the public to believe that the domain name **samed.co.za** is connected with the Complainant. It seems to us that the test set out in the Regulations is less onerous than that set out in the *Capital Estate* case.
- l) As stated above, the Complainant has shown that it had used the domain name for a substantial time in relation to activities directed at the medical and health services industry and that, when the Complainant failed to renew it, the Registrant took it and directed it at members of the same profession. In *Allstates Global Karate Do, Inc. d/b/a World Seido Karate Organisation v Said's Karate (Suliman Said)* ZA2009 – 0030, the adjudicator indicated that a Complainant failed in its complaint under the provision that is being considered primarily because it did not show that the public expected to be directed to the Complainant's web site. The Complainant in this complaint does not fail to meet that test. It states that members and clients of the

Complainant, who are members of the health industry, still access the **samed.co.za** domain name, believing that the domain name belongs to the Complainant. It explains that this is at least partly due to the fact that it was previously the primary domain and website address of the Complainant. The Registrant does not deny this allegation or explanation.

- m) This must be considered in conjunction with the fact that the Registrant immediately removed the link to the health industry site to which the domain name was directed on receipt of the letter of demand but has stated that the domain name is still to be directed at members of the health industry. We are aware that it claims that there is a distinction between the respective services that are provided by the parties but it does not state that the persons who wish to communicate with the Complainant and with the Registrant, who are all members of the health industry, are not the same. It does not convincingly explain that there is a distinction between those persons who will wish to access the Complainant's site and the Registrant's site.
- n) What is significant is that the Registrant has failed to provide any explanation for the adoption of the domain name. It suggests or implies that the current situation was not its "responsibility" but is the Complainant's fault for not renewing the domain name. The closest that it comes to an explanation is that the Registrant adopted the domain name by following the correct procedures.
- o) The Registrant's failure to provide reasons for the adoption of the mark and, particularly, its failure to deny a clear allegation that members and clients of the Complainant still access the **samed.co.za** domain name believing that it belongs to the Complainant create a strong and uncontested impression that the Registrant adopted the domain name for the reason presented by the Complainant. On this final ground, the Complainant must succeed.

5 Decision

- a) For the reasons set out above, we are of the view, on a balance of probabilities, that the Registrant is using 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. The appeal must therefore fail.
- b) The decision of the Adjudicator is therefore upheld and the domain name **samed.co.za** shall be transferred to the Complainant.

.....
A. J. SMITH

.....
C. K. JOB

.....
A. K. VAN DER MERWE

ALL AIIPL SENIOR ADJUDICATORS
www.DomainDisputes.co.za