

ADJUDICATOR DECISION

CASE NUMBER:	ZA2009-0038
DECISION DATE:	19 February 2010
DOMAIN NAME	peroni.co.za
THE DOMAIN NAME REGISTRANT:	Digital Orange/Joris Kroner
REGISTRANT'S LEGAL COUNSEL:	N/A
THE COMPLAINANTS:	Peroni Nastro Azzurro Ltd & The South African Breweries Ltd
COMPLAINANTS' LEGAL COUNSEL:	Adams & Adams
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1. **Procedural History**

1.1. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on Friday 4 December 2009. On Monday 7 December 2009 the SAIPL transmitted to UniForum SA, by email, a request for the registry to suspend the domain name at issue, and thereafter verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIPL's Supplementary Procedure.

1.2. In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 14 December 2009. The due date for the Registrant's Response was 14 January 2010. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on 13 February 2010.

1.3. The SAIPL appointed Adv Owen Salmon as the Adjudicator in this matter on 18 February 2010. 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**

2.1. The domain was registered on 18th November 2008. It was initially registered in the name of Joris Kroner, with the same person as administrative contact. In due course, on 9 June 2009, the domain was transferred by Mr Kroner to "Digital Orange". It

has been noted in earlier decisions that Digital Orange is the alter ego of Mr Kroner¹.

- 2.2. The following facts are undisputed and, their not being palpably implausible, the Adjudicator accepts them for the purposes of this adjudication.
- 2.3. The Complainants are two-fold. The First Complainant is Peroni Nastro Azzurro Ltd, a corporation incorporated in terms of the laws of the Isle of Man, with its recorded address at IOMA House, Hope Street, Douglas, Isle of Man, (hereinafter referred to as "Peroni"). The Second Complainant is the South African Breweries Ltd, a South African company with its recorded address at 65 Park Lane, Sandton, Johannesburg, (hereinafter referred to as "SAB").
- 2.4. SAB is an authorized user and exclusive licensee of the trade mark PERONI, in South Africa, which is registered in the name of the First Complainant. The mark has been used in relation to beer - PERONI beer is one of South Africa's premium beers which can be purchased at almost every major alcohol retailer, bottlestore, pub or restaurant in the country. The trade mark PERONI is extremely well-known in South Africa in relation to beer and an indication of this is given by the fact that, in the three year period ending 2008, sales of the beer exceeded 180 000 hectolitres. In the same period, in addition to extensive printed advertising and marketing materials, SAB distributed free

¹ See ZA2009-0037 <ketelone.co.za>, paragraph 2.1; ZA2009-0034 <absapremiership.co.za>, paragraph 2.1.

beer, memorabilia and other promotional goods bearing the mark PERONI to the value of over R3,2 billion.²

2.5. It is alleged by the Complainants that, as a result of the extensive use made by SAB of the mark PERONI, members of the public associate the trade mark PERONI exclusively with the First Complainant which, accordingly, has a strong reputation in the trade mark, in addition to its registered rights.

2.6. On 21st January 2009 Adams & Adams, representing the Complainants, wrote to Joris Kroner recording an objection to his registration of the domain <peroni.co.za>. The letter called for the registration to be deleted, alternatively transferred to the First Complainant. Almost two months went by before a response was received from Mr Kroner. It stated, simply, the following:-

“We have an interested buyer for peroni.co.za. Let me know if you are still interested otherwise we will proceed.

I look forward to hearing from you.”

2.7. In my view, this response amounts to a subtle threat that, unless the right price was to be forthcoming, the trade mark (i.e. the domain name incorporating the First Complainant’s trade mark) would be put in the hands of a third party.

² This is the figure given in the Complaint (paragraph 11.1.1.11). It may be a typographical error.

2.8. Adams & Adams replied to Mr Kroner, stating:-

“Please note that only Peroni Nastro Azzurro Ltd or its authorized licensees may be the *bona fide* proprietor of the domain name www.peroni.co.za. Should you sell the domain name, the registration of the domain name in the name of the new registrant will be unlawful.

We once again call on you either to delete the domain name www.peroni.co.za or transfer it to Peroni Nastro Azzurro Ltd.”

This repeated demand met with no response.

2.9. The domain name points to a single static web page which states that “*This will soon be the new home of the domain: www.peroni.co.za*”.³

3. Complainants’ Contentions

3.1. The First Complainant is entitled to prevent third parties from unlawfully interfering with its rights to exploit its reputation in its well-known and registered trade mark PERONI through conduct that is calculated to cause damage or prejudice to the First Complainant, or to interfering with its relationship with its licensee SAB.

³ This was the case in <absapremiership.co.za>, a domain also registered by Mr Kroner – see ZA2009-0034, supra, at paragraph 2.13; and was the case in <ketelone.co.za>, also a domain registered by Mr Kroner – see ZA2009-0037 at paragraph 2.9.

- 3.2. Such interference includes the acts of third parties that prevent the First Complainant from registering the domain name <peroni.co.za> or any other domain name, including the trade mark PERONI as the distinguishing feature by blocking the register in order to obtain an undue benefit.
- 3.3. The domain name was registered in the name of Mr Kroner in bad faith, because Mr Kroner had no *bona fide* interest in the trade mark or domain name. This is borne out by Mr Kroner's response to the initial letter of demand; further, he has threatened to sell the domain name to a third party, possibly a fictitious entity. This is consistent with the behaviour of a cybersquatter.
- 3.4. The fact that Mr Kroner transferred the domain name to "Digital Orange" after receipt of the initial demand from Adams & Adams is a further testimony to his cybersquatting conduct. This is mirrored in conduct adopted in respect of the domain name www.absapremiership.co.za when he transferred the domain name to Digital Orange after a complaint by ABSA. Such transfers simply create an impression of a sale; they are effected to indicate that Mr Kroner has divested himself of the name, to limit his personal exposure to litigation and to attempt to delay the Complainants from obtaining lawful registration of the domain name.
- 3.5. In the circumstances, the Complainants submit that the domain name in the hands of the Registrant is an abusive registration, and that the Registrant is taking unfair advantage of the Complainants' rights.

4. Discussion and findings

4.1. The Adjudicator finds that the Complainant has rights in respect of the mark PERONI as contemplated by Regulation 3(1)(a). The question is whether the registration in the hands of the Registrant is an abusive registration.

4.2. An abusive registration means a domain name which either:-

- a) 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
- b) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.

4.3. Ordinarily, the Complainant is required to prove on a balance of probabilities that the required elements are present.⁴ However, in the present case, Regulation 4(3) is relevant. It creates the presumption of an abusive registration, in its following provisions:-

“There shall be a rebuttable presumption of abusive registration 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.”

⁴ Regulation 3(2).

4.4. In the 12 months preceding the present dispute Mr Kroner has been found to have made an abusive registration in at least three disputes. These are:-

- Domain Name: hackett.co.za
Case No. ZA2009-0033
Decision Date: 10 September 2009
- Domain Name: absapremiership.co.za
Case No. ZA2009-0034
Decision Date: 20 September 2009
- Domain Name: ketelone.co.za
Case No. ZA2009-0037
Decision Date: 15 December 2009

4.5. That this is so brings the presumption into operation. It has not been rebutted. It follows therefore, that the Adjudicator is entitled to find that the registration <peroni.co.za> in the hands of Mr Kroner and/or “Digital Orange” is abusive. The Adjudicator so finds.

4.6. In any event, it is now clear that Mr Kroner is engaged in a pattern of making abusive registrations and, as contemplated by Regulation 4(1)(c), this is a factor that may be taken into account in determining whether the instant registration is abusive. Given the reputation of the PERONI brand in South Africa, the Adjudicator finds, notwithstanding the presumption, that the registration by Mr Kroner was abusive.

4.7. Accordingly, the Adjudicator upholds the Complainant's Dispute.

5. Decision

5.1. For the foregoing reasons the Adjudicator orders that the domain name be transferred to the Complainant.

.....

ADV OWEN SALMON
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za