

Decision

[ZA2014-0190]

.ZA ALTERNATE DISPUTE RESOLUTION
REGULATIONS (GG29405)

ADJUDICATOR DECISION

CASE NUMBER:	ZA2014-0190
DECISION DATE:	9 February 2015
DOMAIN NAME:	cloudseed.co.za smmt-gol.co.za tebfin.co.za
THE DOMAIN NAME REGISTRANT:	Clue Technologies (Pty) Ltd
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	Cloudseed Proprietary Limited and Tebfin Proprietary Limited
COMPLAINANT'S LEGAL COUNSEL:	Knowles Husain Lindsay Inc.
2 nd LEVEL ADMINISTRATOR:	ZA Central Registry

1. Procedural history

- 1.1 There are three domains in issue; <cloudseed.co.za> (registered on 18th April 2012), <smmt-gol.co.za> (registered on 23 January 2008) and <tebfin.co.za> (registered on 12th September 2006). The Registrant is Clue Technologies Proprietary Limited.
- 1.2 The First Complainant is Cloudseed Proprietary Limited and the Second Complainant is Tebfin Proprietary Limited, both hereinafter referred to as “the Complainant”.
- 1.3 This dispute was filed with the South African Institute of Intellectual Property Law (“SAIIPL”), on **2 December 2014**. On **4 December 2014** SAIIPL emailed a request to ZA Central Registry (ZACR) for the registry to suspend the domain names, and on **9 December 2014** ZACR confirmed the suspension.
- 1.4 In accordance with the Regulations, the SAIIPL formally notified the Registrant of the commencement of the Dispute on **9 December 2014**. The due date for the Registrant’s Response was **9 January 2015**.
- 1.5 By **14 January 2015** the Registrant had not submitted its Response, and has still not done so. Consequently, there is no factual version from the Registrant and the Adjudication must proceed accepting the Complainant’s factual version (except if obviously far-fetched or untenable).
- 1.6 On **19 January 2015** Adv Owen Salmon SC was invited to adjudicate this matter, and he duly submitted the Statement of Acceptance and Declaration of Impartiality and Independence. Subsequently Adv Salmon was appointed as the Adjudicator.

2 The Facts

2.1 During 2007 the Gauteng Provincial Government, through the Gauteng Shared Services Centre (“GSSC”) issued a tender seeking a provider to implement and manage a computer network, which would provide internet access to approximately 2000 public schools in Gauteng. This became known as the Gauteng Online Project (“GOL”).

2.2 At the time (2007) Tebogo Mogashoa, the current CEO of the First Complainant, was a director of a company called SMM Telematics (Pty) Ltd (“SMM Telematics”). SMM Telematics engaged with a number of other medium-sized companies to create a consortium with varied skill sets, niche solutions and competencies that would assist SMM Telematics in creating the network which was the subject of the GSSC tender. The consortium was led by SMM Telematics and the tender was submitted under the name “SMMT Consortium”, although the consortium was not an incorporated entity.

2.3 The GSSC tender was awarded to the SMMT Consortium in December 2007. However, it was the First Complainant (at the time called SMMT Online (Pty) Ltd), which entered into all the necessary agreements with the GSSC (acting on behalf of the Gauteng

Provincial Government) during February 2008, thus giving effect to the award of the tender.

2.4 The First Complainant has traded since 2008 and has built up a reputation in the field of internet services, in particular in relation to the provision of specialised internet services (such as the provision of a tailored internet service to government schools in Gauteng). The First Complainant is known in this field as “Cloudseed” and owns goodwill in the name.

2.5 The Second Complainant has traded since 2006. It is a 100% black-owned and managed financial services provider focusing on the SMME market, as well as emerging entrepreneurs in South Africa. The Second Complainant provides invoice discounting and similar debt factoring solutions, asset based finance, as well supply chain finance solutions to a wide array of SMME in South Africa.

2.6 In early 2008, the First Complainant approached the Registrant to provide technical expertise in developing and maintaining the internet network required for the GSSC tender (the “GSSC network”). The Registrant was never part of the SMMT Consortium.

2.7 The First Complainant contracted the Registrant to provide the aforementioned services in respect of the GSSC network. It was agreed between the First Complainant and the Registrant that the

GSSC Network would be owned by the First Complainant and operated by the First Complainant or a designated third party acting under the First Complainant's control and authority. The First Complainant has paid for and owns all the computer and radio hardware forming part of the network.

2.8 As part of the Registrant's services the First Complainant requested the Registrant to develop and maintain a website for the First Complainant and its sister companies (which included the Second Complainant), as well as email addresses for the companies' employees. In order to provide those services the Registrant registered a number of domain names, which included the domain names forming part of the dispute.

2.9 It was always the intention of the Complainants that the Registrant would register these domain names in the names of the companies to which they relate. The Registrant, however, chose not to do this; and did not disclose the fact that it had registered these domain names in its own name.

2.10 The relationship between the First Complainant and the Registrant ceased in approximately May 2014.

2.11 The domain names are identical to names of the First and Second Complainants and the First Complainant's GSSC network in the following respects:-

- "cloudseed.co.za" is derived from the registered name of the First Complainant, Cloudseed (Pty) Ltd.
- "tebfin.co.za" is derived from the registered name of the Second Complainant, Tebfin (Pty) Ltd.
- "smtt-gol.co.za" is derived from the name of the SMMT Consortium (SMMT Online (Pty) Ltd (the First Complainant's previous registered name) and the name of the project for which the First Complainant's network was developed, i.e. GOL (Gauteng Online).

2.12 The above domain names were registered by the Registrant, on the instructions of the Complainants, to fulfil its obligations in relation to the First Complainant's network. The Companies were not aware that the domain names had been registered by the Registrant in its own name until recently.

3 The Complainants' contentions

3.1 The Complainants have no control over the domain names due to them not being the registered owners. This has resulted in considerable damage to the Complainants in that:-

- the Complainants have no control over email addresses used by their employees, which rely on the domain names;
- the Complainants have no control over the websites making use of the domain names. The websites have recently been shut down by the Registrant and the Complainants have been forced to make alternative temporary arrangements pending the transfer of the domain names to them;
- the Complainants have no control over all other functions and services associated with the domain names.

3.2 The Complainants have repeatedly requested the Registrant to transfer ownership of the domain names to them. The Registrant has refused to do so.

3.3 The Registrant has not been trading since approximately December 2013.

3.4 The Registrant is in the process of deregistration. The domain names in dispute are extremely valuable to the Complainants. The

Complainants require the domain names to be registered in their respective names in order to have full control of the domain names and in particular to have full control of all associated functions and services.

3.5 The Registrant has used its control over the domain names for ulterior and abusive purposes since the relationship between the parties broke down.

3.6 The decision by the Registrant to shut down the First Complainant's website was actuated purely by malice, and caused a major disruption in its business.

4 Discussion and Findings

4.1 It is clear, and the Adjudicator so finds, that the Complainants have rights as contemplated by Regulation 3 in the marks in question. The marks are, furthermore, 'identical' within the meaning of Regulation 3.

4.2 In light of this, the onus on a Registrant to show that the domain names are not abusive (in Regulation 5) is decisive. In any event, the names have been put to use which is abusive of the Complainants rights.

5 Decision

For the foregoing reasons the Adjudicator finds that the domains are abusive. In accordance with Regulation 9 the Adjudicator orders that the domain <cloudseed.co.za> be transferred to the First Complainant, and the domains <smmt-gol.co.za> and <tebfin.co.za> to be transferred to the Second Complainant.

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