

## Decision

**ZA2011-0068**

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

### ADJUDICATOR DECISION

|                                      |  |
|--------------------------------------|--|
| CASE NUMBER:                         | <b>ZA2011-0068</b>                           |
| DECISION DATE:                       | <b>23 June 2011</b>                          |
| DOMAIN NAME                          | <b>singersa.co.za</b>                        |
| THE DOMAIN NAME REGISTRANT:          | <b>Singer Sew &amp; Knit Centre</b>          |
| REGISTRANT'S LEGAL COUNSEL:          | <b>Surendra Naidoo (Naidoo Maharaj Inc)</b>  |
| THE COMPLAINANT:                     | <b>The Singer Company Limited</b>            |
| COMPLAINANT'S LEGAL COUNSEL:         | <b>Gérard du Plessis (Adams &amp; Adams)</b> |
| 2 <sup>nd</sup> LEVEL ADMINISTRATOR: | <b>UniForum SA (CO.ZA )</b>                  |

## 1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (“SAIPL”) on **18 February 2011**. On **22 February 2011** SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on **22 February 2011** UniForum SA confirmed that the domain name had indeed been suspended. SAIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”), and SAIPL’s Supplementary Procedure.
  
- b) In accordance with the Regulations, SAIPL formally notified the Registrant of the commencement of the Dispute on **22 February 2011**. In accordance with the Regulations the due date for the Registrant’s Response was **24 March 2011**. The SAIPL was under the impression that the Registrant had not submitted a response, and accordingly, SAIPL notified the Registrant of its default on **25 March 2011**. On **25 March 2011** the Registrant informed SAIPL that it had received the Complaint on **18 March 2011** and requested an extension of time. It appears that SAIPL had not received the Registrant’s letter dated **22 March 2011**, wherein the Registrant requested an extension to file its Response. SAIPL granted the Registrant an extension until **7 April 2011** to file its Response. The Registrant submitted its Response on **7 April 2011**, and SAIPL verified that the Response satisfied the formal requirements of the Regulations and SAIPL’s Supplementary Procedure. SAIPL forwarded a copy of the Response to the Complainant on **7 April 2011**. It appears that the Response was incomplete and the Complainant informed SAIPL of this on **14 April 2011**. The complete Response was sent to the Complainant on **4 May 2011**.
  
- c) In accordance with the Regulations the due date for the Complainant’s Reply was **12 May 2011**. On **6 May 2011**, the Complainant requested an extension until **27 May 2011**. The extension was granted by SAIPL. The

Complainant requested a further extension until **1 June 2011** to file its Reply since the deponent of the affidavit was experiencing difficulty in notarizing the affidavit. SAIPL granted an extension until **31 May 2011**. The Complainant submitted its Reply on **31 May 2011**.

- d) SAIPL appointed **Mr AK van der Merwe** as the Adjudicator in this matter on **6 June 2011**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by SAIPL to ensure compliance with the Regulations and Supplementary Procedure.
- e) The Adjudicator considers that the extensions granted to both parties are, in the circumstances indicated by them, both reasonable and justified, and have otherwise been granted in accordance with the Regulations.

## 2 Factual Background

- a) The complainant is the proprietor of a number of South African trade mark registrations viz 19 in total for the trade mark SINGER, dating variously from 1930, 1937, 1966, and more recently from 1995 to 2008. These registrations are presently in force.
- b) The Complainant has used its SINGER trade mark in respect of its sewing machines, other products, and parts and accessories thereof for more than 150 years world-wide. This includes use in South Africa since the 1930's.
- c) The Complainant has registered domain names that include its trade mark SINGER viz singer.com on 8 June 1995 and singersa.com on 2 December 2002.
- d) The parties, or their predecessors-in-title, had enjoyed a business relationship in respect of the sale of the above-mentioned SINGER goods, and the servicing thereof, from or about the late 1980's viz for a period in excess of about twenty years.

- e) The Registrant, and its predecessors-in-title, had in the intervening period used and promoted the name and trade mark SINGER in the course of its business in the Durban area in selling such goods, and the servicing thereof.
- f) The Registrant had registered the disputed domain name singersa.co.za on 22 October 2002.
- g) The Complainant became aware of the disputed domain name registration in the name of the Registrant during the early part of 2010. The Complainant instructed its attorneys to write a letter of demand to the Registrant, demanding that it cease using the trade mark SINGER and that it transfer the disputed domain name to the Complainant. The Registrant thereafter ceased using the trading style SINGER SEW & KNIT CENTRE but it has refused, and continues to refuse, to transfer the disputed domain name to the Complainant (other than against payment by the Complainant of an amount of R100 000-00 for such transfer – which offer was refused by the Complainant).

### **3 Parties' Contentions**

#### **3.1 Complainant**

- a) The Complainant contends in general that the disputed domain name is identical or similar to the name or mark SINGER 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). An "abusive registration" is defined in the Regulations to mean 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.
- b) The Complainant contends that the disputed domain name

- singersa.co.za wholly incorporates the Complainant's name and trade mark SINGER. Hence the use and registration of the disputed domain name will cause to confusion and deception.
- c) The Complainant contends that it is the proprietor of various extant South African trade mark registrations for SINGER – see above – hence claiming that it enjoys statutory rights which the Registrant will infringe by way of unauthorized use when using the disputed domain name, in terms of the Trade Marks Act.
  - d) The Complainant contends that, on the basis of its extensive world-wide use, and more than seventy years of use of its SINGER trade mark in South Africa, it has acquired an extensive reputation and goodwill and hence substantial common law rights in South Africa – claiming that use of the disputed domain name will create the impression that the parties are somehow associated or connected.
  - e) The Complainant contends that the Registrant's conduct is a clear indication that it recognizes the extensive goodwill and reputation of the Complainant's well-known SINGER trade mark, and that it intends to continue to take unfair advantage thereof.
  - f) The Complainant contends that the Registrant has no rights or legitimate claim in respect of the disputed domain name or the trade mark SINGER.
  - g) The Complainant contends that registration of the disputed domain name has the effect that the Complainant is barred from using or registering the identical domain name in which it has rights; and that the Registrant's conduct in not transferring the disputed domain name is intentional.
  - h) The Complainant contends that the Registrant's conduct amounts to an unfair disruption of the Complainant's business because the disputed domain name would be the Complainant's obvious and

primary internet address as far as South African consumers are concerned. Accordingly the Registrant is preventing the Complainant from exercising its rights in its SINGER trade mark; and the disputed domain name misleads consumers by diverting consumers to the Registrant's website.

- i) The Complainant finally contends that the Registrant registered the disputed domain name with the intention of benefitting from the extensive reputation that the Complainant has established in its well-known trade mark SINGER.

### 3.2 Registrant

- a) The Registrant contends in limine that the Complainant has acted in bad faith and should be non-suited on the basis of having "unclean hands". The basis for this contention is that the parties, or their predecessors-in-title, had enjoyed a long-standing business relationship and that the Complainant had failed to disclose this in its complaint.
- b) The Registrant does not contend that that the disputed domain name is not identical or similar to the registered trade mark SINGER.
- c) The Registrant does not concede that the SINGER trade mark is a well-known mark in terms of the Trade Marks Act.
- d) The Registrant contends that the disputed domain name is not an abusive registration.
- e) The Registrant contends that the Complainant's Group Representative had consented to the registration and use of the disputed domain name by the Registrant.
- f) The Registrant contends that its relationship with the Complainant was a "partnership" and a "complex business relationship"; and that this dispute is a "complex commercial dispute" between the parties,

that should be dealt with by a Court of Law.

- g) The Registrant finally contends that, because of the Complainant's failure to disclose the long-standing business relationship with the Registrant, the Adjudicator should make a finding of reverse domain name hijacking against the Complainant.

#### 4 Discussion and Findings

- a) The Adjudicator has read and carefully considered the papers and documents filed herein, and the merits thereof. However, the Adjudicator is required, in the first place, to deal with the Registrant's contention *in limine* that the Complainant has acted in bad faith in not disclosing what it calls "the true position" viz the long-standing business relationship between the parties; and hence that the Complainant should be non-suited in respect of this complaint; and that the Adjudicator should make a finding of reverse domain name hijacking against the Complainant.

The history of this business relationship is that the predecessors-in-title of the Registrant (viz Singra CC and then Greeshon Trading CC) had each serially entered into a distributorship agreement with the Complainant. Subsequent to those business relationships, it appears that the Complainant had entered into a tacit distributorship agreement with the Registrant because no party or deponent on behalf of the Registrant has referred to any written agreement between the parties. The Adjudicator must therefore conclude that no written agreement was entered into by the parties hereto.

The Complainant has explained that these earlier distributors or distributorships have played no role in the present domain name dispute. In addition, the Registrant itself (and not any predecessor-in-title) had registered the disputed domain name, and the Complainant has explained that it did not wish to burden the record with the entire afore-mentioned history that it considers unnecessary to the present complaint. In any event, the Complainant has submitted that the long-term history of the Registrant as a distributor has not granted the Registrant any rights in respect of the trade mark SINGER.

In the Adjudicator's view, and taking all the relevant circumstances into account, the omission by the Complainant to disclose the entire history of its business relationships with each of the above-mentioned parties, relative to the present complaint, does not *per se* clothe the Complainant's conduct in bad faith. Accordingly the Adjudicator finds that the Complainant has not approached this forum, nor lodged this complaint, with "unclean hands". Hence this *in limine* submission, viz that the Complainant should be non-suited in respect of this complaint, is hereby dismissed.

The Registrant has relied on the Mr Plastic decision in support of this submission (SAIPL Case ZA2007/0001 – [mrplastic.co.za]). In that decision, a member of the Complainant company purported to act (falsely – it should be mentioned) on behalf of the Registrant. However, the Adjudicator in that case did not make an actual finding regarding "unclean hands" but simply mentioned that such conduct raises the question of whether the Complainant should be non-suited on the basis of "unclean hands". Accordingly, in the Adjudicator's view, that decision does not provide any support for the Registrant's above submission.

The Adjudicator will comment further below on the Registrant's contention that, in view of the above-mentioned conduct of the Complainant, the Adjudicator should make a finding of reverse domain name hijacking.

#### 4.1 Complainant's Rights

- a) The Complainant has shown above that it has rights in respect of the name or mark SINGER which is identical to the domain name in dispute. See the above-mentioned South African trade mark registrations for SINGER. In other words the Complainant has statutory rights in respect of the name and mark, SINGER, that it can enforce by way of an infringement action or application before the High Court against an infringer viz a person who uses an identical or similar mark in an unauthorized manner.

The Complainant has also registered domain names such as singer.com and singersa.com.



The Adjudicator finds that the disputed domain name singersa.co.za is clearly similar to the trade mark SINGER because it is contained wholly therein; and the disputed domain name consists of the registered mark SINGER plus the descriptive or generic term/letters SA – which simply mean or stand for South Africa and which is in common use for domain names and web addresses inter alia. This similarity appears to be common cause between the parties. In any event this finding is supported by earlier international domain name decisions such as these cited hereunder.

In NAF/FA141825 it was held that: “[It] is also well established under the Policy that a domain name composed of a trademark coupled with a generic term is still confusingly similar to the trademark.”

In WIPO/D2002/0367 the Panel concluded that: “The disputed domain name contains Complainant’s EXPERIAN trademark in its entirety. The addition of the generic term “automotive” does not distinguish Respondent’s domain name from Complainant’s mark.”

See also for example the decisions WIPO/D2000-1598 in which niketravel and nikesports were found to be similar to the trademark NIKE; DRS04601 in which nikestore was found to be similar to the trade mark NIKE; and DRS01493 in which nokia-ring-tones was found to be similar to the trade mark NOKIA.

See further for example the South African domain name decisions in SAIPL ZA2007-0003 [tekommmedia.co.za] in which that domain name was found to be similar to the trade mark TELKOM; SAIPL ZA2008-0021 [blackpearlbetting.co.za] in which that domain name was found to be similar to the trade mark BLACK PEARL; SAIPL ZA2008-0025 [suncityshuttle.co.za] in which that domain name was found to be similar to the trade mark SUN CITY; SAIPL ZA2008-0023 [suncityvacation.co.za] in which that domain name was found to be similar to the trade mark SUN CITY; and SAIPL ZA2010-0048 [etravelmag.co.za] in which that domain name was found to be similar to the trade mark ETRAVEL.

The Complainant has further claimed that its trade mark SINGER has through use in South Africa become a well-known mark although it has not submitted evidence of this status of its mark in South Africa. The Registrant denied such well-known status for this mark, and the Complainant did not reply to this. Accordingly, it is not possible for the Adjudicator to decide this aspect but it appears that this question is not essential to the Complainant's case (although it may be possible that the mark is in fact well-known in South Africa in respect of the relevant goods).

- b) The Complainant has also shown above that, based on the reputation and hence goodwill in respect of its name and trade mark SINGER, it enjoys common law rights in South Africa. These rights can be enforced against a person by way of a passing off action before, or an application to, the High Court. As indicated above, the name and trade mark SINGER is clearly similar to the disputed domain, and this appears to be common cause between the parties. See the decisions cited above in support of the finding of similarity by the Adjudicator.
- c) The Complainant contended that the Registrant's conduct in ceasing to use the trading style SINGER SEW & KNIT CENTRE was a clear indication that it recognized the extensive reputation and goodwill that exists in the Complainant's name and trade mark SINGER. This appears to be a reasonable conclusion to be drawn from the Registrant's conduct.
- d) The Complainant has contended that the Registrant cannot have any rights or a legitimate claim to the disputed domain name or the trade mark SINGER. Although the Registrant did not expressly make such a claim, it implied that, because of its long-standing relationship with the Complainant and the fact that it had expended large sums of money and effort on the promotion of SINGER goods and services, it was entitled or allowed on some or other basis (that it could not

articulate clearly), to use and register the disputed domain name. Some indication of this basis is to be found in the term attributed by the Registrant to the business relationship viz a “partnership”.

From the facts of this case, it is clear to the Adjudicator that the relevant relationship between the parties has been that of a distributor or a distributorship/dealership, and that it has decidedly not been a partnership. Accordingly no rights of the kind envisaged by the Registrant would or could ever come into existence. All rights of a trade mark nature accrue to the proprietor of the trade mark and not to the distributor – in this case clearly the Complainant. In support hereof, see Webster & Page, South African Law of Trade Marks, 4th Edition, paragraphs 3.21, 3.52 and 15.18.1, and the authorities cited in those paragraphs. See also the Appellate Division case Taylor & Horne (Pty) Ltd v Dentall (Pty) Ltd 1991 SA 412 (A) which was cited with approval in the SAIPL Case ZA2008-0016 [mares.co.za].

- e) The Registrant contended that this complaint was a “complex commercial dispute between the parties” and should therefore “be dealt with in a much more comprehensive manner in a Court of Law” rather than by this tribunal.

To the contrary, the Adjudicator views this complaint as a straightforward domain dispute against the background of a distributorship relationship between the parties. Once that factual relationship between the parties has been identified as a distributorship, the respective positions and rights of the parties follow quite simply. This is trite law, as explained above.

The Adjudicator wishes to point out clearly that this forum does not in any manner purport to deal with the termination of the relationship between the parties.

The Registrant admits that it has not been able to find any authority or decided domain decisions to support its position. This is not surprising because the complaint resolves simply to a domain name dispute for which there is ample authority. See the decided cases

cited herein.

#### 4.2 Abusive Registration

- a) The next step is to determine whether the disputed domain name registration is an abusive registration viz whether the disputed domain name 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 whether the disputed domain name has been used in the aforesaid manner.

Factors that can indicate an abusive registration include factors such as the Registrant having no rights or legitimate claim to the domain name or the trade mark SINGER. See the discussion and finding above in this regard. Various other factors are discussed hereunder.

The Complainant has contended that registration of the disputed domain name has the effect that the Complainant is barred from registering or using the identical domain name in which the Complainant has shown it has clear rights viz to the right to use the trade mark. Since the Complainant has already registered the domain name singersa.com, it would certainly, on a reasonable basis, wish to use and register the domain name singersa.co.za in South Africa. Although the evidence filed in this complaint shows no indication that the Registrant had an intention to bar or block the Complainant from using or registering the identical domain name, this effect is clear. In support thereof earlier domain name decisions indicate that such "barring" or "blocking" are indicative of an abusive registration. See for example the decisions in DRS00583 and DRS01378.

In addition to the aforementioned, the Registrant's attitude in refusing to transfer the disputed domain name must be inferred to be intentional whatever its precise motive may have been.

The Complainant has also contended that the Registrant's conduct

amounts to an unfair disruption of the Complainant's business, as being the Complainant's obvious and primary internet address for South African consumers.

Various UDRP decisions have found that disruption of the business of a complainant may be inferred if the Registrant has registered a variation of the Complainant's mark by adding a generic word (viz in the present complaint SA). See for example WIPO/D2000-0777, NAF/FA94942, NAF/FA94963, and NAF/FA95402.

The Complainant has further contended that the disputed domain name is preventing the Complainant from exercising its rights in its SINGER trade mark. This is a factual assertion, and the Adjudicator finds that this is a valid contention.

The Complainant has still further contended that the use of the disputed domain name would lead persons and/or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected to the Complainant particularly when the relevant goods are identical. The disputed domain name therefore creates the impression that the two businesses are associated or linked, based on the similarity of the disputed domain name and the trade mark SINGER. The Complainant has also contended that use of the disputed domain name misleads consumers and as a result can divert customers to the Registrant's website.

Various foreign and local domain name decisions have found that registration and use of a similar domain name, such as a domain name containing the complainant's trade mark plus a generic term, can lead to or cause confusion. See for example the foreign decisions in WIPO/D2000-0545, the PORSCHE AG case [porsche-exchange.com] viz WIPO/D2002-0103, NAF/FA95319, NAF/FA95464, NAF/FA95498, and the above-cited NIKE and NOKIA decisions; in addition to the local decisions cited above.

Lastly, the Complainant has contended that, in light of the identity of the relevant goods, the Registrant has registered the disputed

domain name with the intention of benefitting from the extensive reputation of the Complainant's trade mark SINGER in South Africa. Although, in the Adjudicator's view, both parties would have benefitted from the use of the disputed domain name, the fact that the Registrant has changed its trading style but refused to transfer the disputed domain name, is indicative of the Registrant's intention to benefit from, and take advantage of, the registration (and use) of the disputed domain name.

- b) The Registrant has countered to the effect that the Complainant's Group Representative had consented to the use and registration of the disputed domain name by the Registrant. An examination of the e-mail exchanges between the parties shows that the Complainant had indicated that "...this matter is being taken very seriously in Singer, as we put our house in order. The use of our mark should be authorised according to set rules and regulations whereby no one can use the brand name in their company name or on their website without the needed authorisation". It appears from these e-mails that no such clear authorisation was ever given by the Complainant to the Registrant to register the disputed domain name (whether in its name or in the Complainant's name). The Registrant could believe, and rightly so, that it was entitled to use the SINGER trade mark in its business as a dealer/distributor but certainly not that it could own any rights in or to the trademark SINGER. Certainly in law it could never own such rights. Even if the above-mentioned person had given an indication that the Registrant could own the disputed domain name, which is not admitted by the Complainant, such an indication would have been unauthorised and hence invalid.

In addition, the Registrant has suggested that the long period after the registration of the disputed domain name and before the Complainant decided to lodge this dispute, amounted to some kind of consent by the Complainant. This is denied by the Complainant, and it is clear that a proprietor can decide to act when a matter comes to

its attention and/or when it decides to take the necessary legal steps, as long as it has not clearly and expressly consented to infringement of its rights, which is not the case in this matter. To the contrary, the above e-mail quotation indicates the Complainant's concern which the Registrant has admitted was a concern to the Complainant).

- c) Lastly the Registrant has contended that because the Complainant had not disclosed the entire the history relating to its former distributors, it should be punished by a finding of reverse domain name hijacking. In view of the rights of the Complainant, and all the circumstances of this complaint, plus the above findings, the Adjudicator is not prepared to accede to this submission, and accordingly dismisses this submission.
- d) After considering all the evidence and circumstances of this complaint, and based on the reasons and findings set out above, the Adjudicator, makes the overall findings that, on a balance of probabilities, in the hands of the Registrant, the disputed domain name is an abusive registration in that it was registered in a manner which, at the time when the registration took place, took unfair advantage of, or was unfairly detrimental to, the Complainant's rights; and that the disputed domain name has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant's rights.

## **5. Decision**

- a) For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the disputed domain name singersa.co.za be transferred to the Complainant.

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**AK Van der Merwe**

SAIPL SENIOR ADJUDICATOR

DomainDisputes.co.za