

Decision

[ZA2018-0350]

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

APPEAL DECISION

CASE NUMBER:	ZA2018-0350
DECISION DATE:	10 April 2019
DOMAIN NAME:	anc.org.za
THE DOMAIN NAME REGISTRANT:	Unwembi Communications
REGISTRANT'S LEGAL COUNSEL:	Van der Merwe & Associates
THE COMPLAINANT:	African National Congress (ANC)
COMPLAINANT'S LEGAL COUNSEL:	None
2 nd LEVEL ADMINISTRATOR:	ZACR

1. PROCEDURAL HISTORY, FACTS AND CONTENTIONS

- 1.1. This is an appeal against the decision of the single adjudicator, Ms Vanessa Lawrance (“**the Adjudicator**”), dated **31 January 2019**, in which the complaint was refused (“**the decision**”).
- 1.2. The procedural history, factual background and parties’ contentions, leading up to the decision, are set out sufficiently in the decision and will not be repeated here for the sake of brevity.
- 1.3. Subsequent to the decision the Complainant lodged a statement of intention to appeal, within the time limit prescribed in terms of Regulation 31(1), on **4 February 2019**. On **5 February 2019** the Complainant lodged its appeal notice containing its grounds of appeal. On **8 February 2019** the appeal fee was paid in full by the Complainant.
- 1.4. On **20 February 2019** the Registrant submitted its appeal notice response, within the time limit prescribed in terms of Regulation 32(5).
- 1.5. On **26 February 2019** the Appeal Panel consisting of Owen Salmon SC, Mike du Toit and Jeremy Speres was appointed (“**the Panel**”). Each member of the Panel has submitted a Statement of Acceptance and Declaration of Impartiality and Independence.

2. PROCEDURAL DEFECTS

- 2.1. We share the concerns raised in paragraph 4(a) of the decision concerning the procedural defects afflicting the Complainant’s complaint as well as the Registrant’s response. The complaint was not commissioned correctly and the response was not commissioned at all, in contravention of Regulations 16 and 18. The parties were rightly criticised by the Adjudicator in this respect.
- 2.2. Despite this, the Adjudicator proceeded to decide the dispute without providing reasons for accepting the deficient papers.

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- 2.3. Compliance with the prescribed formalities is important for the integrity and practicability of the adjudication process, amongst others.
- 2.4. Nevertheless, we note that numerous Adjudicators have in the past admitted formally deficient responses, in particular, responses not deposed to under oath. See for instance the decisions in ZA2008-0024; ZA2009-0031 and ZA2011-0070.
- 2.5. For the following reasons, we are prepared to accept the deficient papers in this matter. This however should not be taken as *carte blanche* for non-compliance with prescribed formalities in future matters; each case must be assessed on its own merits, and the admissibility as well as weight of any deficient evidence could well be affected in different circumstances:
- 2.5.1. Adjudicators must ensure that each party is given a fair opportunity to present its case (Regulation 24(1));
- 2.5.2. The deficient papers address issues that are relevant to the dispute;
- 2.5.3. The present proceedings are “*very different from court proceedings*”, as per the Adjudicator in ZA2008-0024;
- 2.5.4. To ignore the response would be to put form above substance, as per the Adjudicator in ZA2009-0031; and
- 2.5.5. We are in agreement with the Adjudicator’s rationale in ZA2008-0024 at paragraphs 2(e) and (f) regarding the effect of non-compliance with prescribed forms and procedures, specifically that non-compliance with the formalities provisions of Regulations 16 and 18 does not result in a nullity.

3. COMPLAINANT’S RIGHTS

- 3.1. The sole ground for refusing the complaint given in the decision was that the Complainant failed to claim or substantiate any “*rights*”, as defined in the Regulations, to “*a name or mark which is identical or similar to the domain name*”, as per Regulation 3(1)(a). We consider that this was an error.

- 3.2. The complaint, it is true, was poorly prepared in a number of respects, including:
- 3.2.1. Many grammatical errors;
 - 3.2.2. Requesting relief not provided for in the Regulations;
 - 3.2.3. No discussion of specifically why the domain name registration is abusive, within the defined meaning set in the Regulations;
 - 3.2.4. No references to the specific factors listed in Regulation 4 indicating why the domain name registration may be abusive; and
 - 3.2.5. No claim, let alone any evidence, of any “rights” as defined in the Regulations.
- 3.3. The threshold for establishing rights sufficient to justify the initiation of a complaint is very low - there is ample authority to this effect. One of the reasons why it can be accepted – as we do accept – that the complainant has established rights in the mark ANC for the purposes of this complaint is the simple premise of judicial notice. Judicial notice is a recognised principle of the South African law of evidence in terms of which a fact can be judicially recognised where it is so well-known as to be incapable of dispute among reasonably informed and educated people (See the authorities cited in the *Law of South Africa*, Vol 9: Evidence, at para 822). Furthermore, panels in UDRP domain name disputes have in the past applied the concept of judicial notice to well-known marks – see for instance the decision in D2016-1300 of the WIPO Arbitration and Mediation Centre.
- 3.4. The existence of the ANC mark is not something that requires proof by way of the ordinary factual matrices and so we take judicial notice thereof. The ANC mark is so well-known in South Africa that it cannot be contested otherwise - and it would be pointless to do so. Indeed, the Registrant must be taken to accept this, not only because it's point is something else but because the entire fabric of the contractual relationship it seems to have had in the past with the Complainant is premised on the nationwide existence of the organization famous as the ANC. In any event, the

Registrant raised no demur to the assertion (albeit in Reply, but still) that ANC is a registered trade mark.

- 3.5. Once judicial notice admits of the establishment by the Complainant of rights in the mark ANC, the question whether the rights so established are sufficient to cross the low threshold for the purposes of Regulation 3 is axiomatically answered.
- 3.6. Besides, it is trite that a reputation in a mark that is protectable by way of a passing off action is sufficient to establish “rights” in the hands of the complainant under the Regulations. We think the obvious repute of the Complainant’s ANC mark even if, strictly evidentially, it was not established on the papers meets this criterion too.
- 3.7. Accordingly, the Adjudicator erred in this respect and we hold otherwise.

4. ABUSIVE REGISTRATION

- 4.1. Having found that the Complainant has rights in a mark which is identical to the domain name, the question now becomes whether the domain name is, in the hands of the Registrant, an abusive registration in the sense that it was registered or has been used in a manner that takes unfair advantage of, or is unfairly detrimental to, the Complainant’s rights.
- 4.2. First up is the issue of the onus cast by Regulation 5(c): when the disputed name “*is identical to the mark in which the complainant asserts rights*” the “*burden of proof shifts to the registrant to show that the domain name is not an abusive registration.*” As we explain below, this onus has not been discharged.
- 4.3. The dispute between the parties appears to be a simple one. Prior to lodgement of the complaint, the Registrant had, for many years, acted as an IT service provider to the Complainant. It had, amongst others, maintained and renewed the registration of the domain name. It maintained, developed and hosted the Complainant’s website to which the domain name has resolved in the past. Importantly, the domain name was registered using the Registrant’s name and contact details as those of the registrant in the WHOIS record.

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- 4.4. In late 2018 the parties appeared to agree to terminate the services of the Registrant. A dispute regarding non-payment by the Complainant of monies allegedly due to the Registrant for goods and services rendered under the contracts subsisting between the parties subsequently arose. The Registrant has issued summons against the Complainant in which such monies, interest and legal costs are claimed. The summons makes no mention of the domain name at all and the action commenced by that summons is therefore not a “*related matter*” or one “*concerning the domain name*” or one “*in respect of a domain name*” for the purposes of Regulations 11(1A), 11(3) and 33(1), which would require suspension of the dispute.
- 4.5. The Registrant is refusing to transfer the domain name to the Complainant unless the monies it alleges to be outstanding are paid.
- 4.6. This is not a proper forum for the determination of contractual disputes, in particular whether or not money is owed to any party. See the decisions in ZA2010-0054 at para 4(c) and ZA2010-0039 at para 4.5 (being a decision of the Adjudicator in this matter). The Regulations are limited in scope to the question of whether a domain, in the hands of the registrant, is an abusive or offensive registration, within the narrow meanings ascribed to those terms in the Regulations. The Regulations are thus exclusively concerned with matters of cybersquatting and the like where a complainant’s rights in a name or mark (not any rights or obligations to money or other contractual performances) are unfairly taken advantage of or negatively affected. See the decision of the WIPO UDRP panel in D2017-2174 at para 6B.
- 4.7. We therefore agree with the Adjudicator’s decision not to express any opinion on the merits of the contractual dispute.
- 4.8. Nevertheless, the dispute is still capable of being resolved upon application of the Regulations.
- 4.9. Regulation 4(1)(e) of the Regulations provides one factor indicating that a registration is abusive:

(e) the circumstance that the domain name was registered as a result of a relationship between the complainant and the registrant, and the complainant has:

- (i) been using the domain name registration exclusively; and
- (ii) paid for the registration or renewal of the domain name registration.

- 4.10. It seems to us that this provision is eminently applicable to the dispute at hand and indicates that the domain name, in the hands of the Registrant, is abusive.
- 4.11. Professor Tana Pistorius, in her article *Cyberbusters versus Cybersquatters: Round II in the ZADNA Ring* (2009) 21 SA Merc LJ 661, addresses what she terms “*techno-jacking*” at page 673. This refers to the trend of service providers registering domains on behalf of their clients in the service provider’s name and then refusing to transfer it to the client because of non-payment or contractual issues. Professor Pistorius’s view is that techno-jacking is abusive and that the most appropriate listed factor is Regulation 4(1)(a)(iv). That provision provides that circumstances indicating that the registrant has registered or otherwise acquired the domain name primarily to prevent the complainant from exercising its rights indicates abusiveness. That appears to be quite apposite in this matter.
- 4.12. There have been numerous decisions in this forum where techno-jacking has been held to be abusive. See the decision in *Drs van Rensburg & Partners SA Inc v Webintellect (Pty) Ltd* available at <https://www.zadna.org.za/uploads/documents/uansen.pdf>. See also ZA2009-003; ZA2008-0024; ZA2010-0041 and ZA2010-0039.
- 4.13. We are in respectful agreement with Professor Pistorius and the adjudicators in the abovementioned decisions.
- 4.14. We are fortified in this view by the fact that it appears to be considered good practice in the IT industry for domains to be registered in the name of the client and not the service provider. See the advisory of the Internet Service Providers’ Association here: <https://ispa.org.za/domain-registrations/> as well as the .CO.ZA domain name registry here at question 7: <http://co.za/legal-FAQ.shtml>.

4.15. There is no common law right to a lien, hypothec or right of retention over a domain name as security for any debt.

4.16. The Registrant makes reference to what appears to be a settlement agreement that is ostensibly signed by the parties in which it is stated:

“Its agree that all relevant domain records will remain the property of Unwembi until the final account payment is received and these will then be transferred within a 24 hour period once final-payment is received.”

4.17. As indicated we do not express any view on the merits of the contractual dispute between the parties. However, it is part of the defence raised by the Registrant and so we are obliged to address this aspect of the matter.

4.18. The defence envisages something akin to a lien. However, the Registrant itself, at paragraph 1.11 of its Response, appears to question the validity of the agreement by stating that the Complainant failed to sign it by the deadline specified in the agreement and failed to make payment in terms of the agreement. The Registrant’s treatment of the settlement agreement (paragraphs 1.10 – 1.11 of its response) is somewhat confused and confusing, and it is not clear whether it considers the agreement binding. In any event, the apparent lien was to be released once payment was made. The Complainant denies not having made payment.

4.19. The more compelling point is that there is significant ambiguity in the clause of the agreement relied upon by the Registrant, with such ambiguity not having been clarified, on the evidence before us, on balance of probabilities. First, the subject of the postulated contractually derived lien is alleged to be the domain name, or at least technical control over the domain name, but that is not what the agreement relied on states. It refers to “*domain records*” and “*property*”, concepts which do not fit comfortably within the meaning argued for by the Registrant, being that of a lien. If the provision was to mean technical control over the domain name why does it not say so?

4.20. Secondly, and besides, for a domain name to “*remain the property of Unwembi*” means it had to have started off as Unwembi’s property in the first place. This

cannot be said to have been/be the case with a domain name which incorporates solely property of the complainant.

- 4.21. Accordingly, whether on the basis of the incidence of onus, which we find the Registrant does not discharge, or otherwise, our decision is that the domain name is, in the hands of the Registrant, an abusive registration.

5. DECISION

- 5.1. For the foregoing reasons, the appeal is upheld and we order that the domain name be transferred to the Complainant.

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