

## **ADJUDICATOR DECISION**

CASE NUMBER:	<b>ZA2007-0004</b>
DECISION DATE:	<b>22 August 2007</b>
DOMAIN NAMES	<b>TELKOMBUSINESS.CO.ZA TELKOM-BUSINESS.CO.ZA TELKOMCORPORATE.CO.ZA TELKOM-CORPORATE.CO.ZA TELKOM-INTERNET.CO.ZA</b>
THE DOMAIN NAME REGISTRANT:	<b>Customer Care Solutions (Pty) Ltd Grotto Mews, Grotto Road Rondebosch Cape Town, 7700</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Mallinicks</b>
THE COMPLAINANT:	<b>Telkom SA Limited, Telkom Towers North 152 Proes Street Pretoria, Gauteng</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Buys Inc.</b>
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	<b>UniForum SA (CO.ZA Administrators)</b>

### **1. PROCEDURAL HISTORY**

The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on 18 June 2007. On 18 June 2007, the SAIPL transmitted by e-mail to UniForum SA a request for the Registry to suspend the domain names at issue, and on 19 June 2007 UniForum SA confirmed that the domain names had indeed been

suspended. The SAIPL verified that the Dispute satisfied the formal requirements of the .co.za Alternative Dispute Resolution Regulations (the "Regulations") and the SAIPL Supplementary Procedure.

In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 22 June 2006 and advised the Registrant that its Response was due on 20 July 2007. The Registrant submitted its Response on 20 July 2007 and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on 20 July 2007 and advised the Complainant that its Response was due on 27 July 2007. The Complainant submitted its Reply on 27 July 2007.

The Parties requested the Dispute to be decided by a single adjudicator and the SAIPL appointed Mr. Deon Boucher as the Adjudicator in this Dispute on 2 August 2007. The Adjudicator has 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.

## **2. FACTUAL BACKGROUND**

The Complainant was registered and incorporated as a public company in terms of the Companies Act of 1973 on 30 September 1991 under registration no. 1991/005476/06. Since that date, the Complainant has been offering a range of telecommunications-related goods and services in South Africa, including fixed line telephone infrastructures, internet access and ADSL broad band connectivity.

The Registrant is a company incorporated under the Companies Act of 1973 and renders services as an outsourced client contact centre that utilizes various communication channels, namely telephone, fax, sms, e-mail and internet.

On 17 May 2006, the Registrant registered the domain name TELKOMBUSINESS.CO.ZA. The Registrant also registered the following domain names incorporating the word TELKOM:

<u>DOMAIN NAME</u>	<u>DATE OF REGISTRATION</u>
TELKOM-BUSINESS.CO.ZA	17 May 2006
TELKOM-INTERNET.CO.ZA	17 July 2006
TELKOMCORPORATE.CO.ZA	17 November 2006
TELKOM-CORPORATE.CO.ZA	17 November 2006

The TELKOMBUSINESS.CO.ZA domain name was initially linked to the website of the Registrant, however, the link to the Registrant's website was removed on 29 June 2006 after the Complainant objected thereto. Currently, none of the disputed domain names are linked to a website.

The parties attempted to resolve the Dispute through a series of letters, which contained scathing allegations and accusations from both sides, which are not in all respects relevant to present proceedings. The following is a summary of the relevant contents of the respective letters:

On 7 August 2006, Buys Inc., on behalf of the Complainant, addressed a letter of demand to the Registrant, in which the Complainant alleged that the Registrant is infringing the rights of the Complainant and demanded transfer of the domain name TELKOMBUSINESS.CO.ZA to the Complainant by 11 August 2006.

The Registrant's attorneys, Mallinicks, responded on 10 August 2006, requesting an extension until 18 August 2006 within which to provide a substantive Response to the Complainant's demands.

On 11 August 2006, Buys Inc. granted the Registrant the extension sought but emphasized that the Complainant had plans to activate the TELKOMBUSINESS website

and that further delays "will postpone the Complainants plans and increase their potential harm and losses".

On 18 August 2006, Mallinicks confirmed that the Registrant:

- had registered the TELKOMBUSINESS.CO.ZA on 17 May 2006;
- had removed the link from the TELKOMBUSINESS.CO.ZA domain name to the Registrant's website subsequent to having receiving an objection from Adams & Adams, who, at that time, acted on behalf of the Complainant;
- after not having received further correspondence in the matter from the Complainant once the link to the Registrant's website was removed, believed the matter to be resolved;
- will provide the Complainant "with a copy of the material it intends to place on the website it will in due course link to the domain name 30 days in advance of this link becoming active"; and
- rejected the demands of the Complainant as set out in Buys Inc.'s letter dated 8 August 2006.

On 26 August 2006, Buys Inc. responded to the aforementioned letter and repeated the Complainant's demand that the Registrant transfer the domain name TELKOMBUSINESS.CO.ZA to the Complainant. Simultaneously, and to "illustrate" some of the Complainant's arguments, Buys Inc. advised the Registrant that it had registered several domain names "which your client may have an interest (in)" including names such as CCS-SUCKS.CO.ZA, CUSTOMERCARESOLUTIONSUCKS.CO.ZA, NOCUSTOMERCARESOLUTIONS.CO.ZA, CUSTOMERSCARESOLUTIONS.CO.ZA, FUCKCSS.CO.ZA, etc. (the Complainant attached a copy of the aforementioned letter to its complaint marked Annexure "K", whereas the Registrant refers to this same letter as being dated 7 September 2006 and attached a copy of the letter to its Response marked Annexure "C".)

On 12 September 2006, Mallinicks advised Buys Inc. that their "client is somewhat surprised at the unorthodox approach taken in your letter and, as a result, it is corresponding directly with senior officers of your client to confirm that your letter is in accordance with its instructions" and reserved their client's rights.

On 20 September 2007, Buys Inc., in a letter to Mallinicks, requested a formal Response from the Registrant to its letter dated 7 September 2006.

On 18 September 2006, Buys Inc. requested an answer to a fax received from Mallinicks dated 10 October 2007 (the letter from Buys Inc. marked Annexure "N" to the complaint, appears to have been wrongly dated and the correct date of the letter appears to be 18 November 2006).

On 10 May 2007, Buys Inc. address a letter marked "Final Demand" directly to the Registrant, setting out in detail the Complainant's objection to the Registrant's registration of the domain name TELKOMBUSINESS.CO.ZA as well as the domain names TELKOM-CORPORATE.CO.ZA, TELKOM-INTERNET.CO.ZA, TELKOM-BUSINESS.CO.ZA and TELKOMCORPORATE.CO.ZA. The Complainant demanded that the Registrant agrees to transfer the domain names to the Complainant by 14 May 2007.

On 14 May 2007, Mallinicks, responded on behalf of the Registrant and requested an extension until 18 May 2007, within which to respond.

On 17 May 2007, Mallinicks advised Buys Inc. that the Registrant was not prepared to adhere to the Complainant's demands. The Registrant rejected the Complainant's submission that it was entitled to institute Alternative Dispute Resolution proceedings against the Registrant in terms of the Regulations passed on 22 November 2006, specifically as it, the Registrant, believes that the Regulations do not have retrospective application.

On 17 May 2007, Buys Inc. rejected the submissions of the Registrant and submitted that the Regulations also apply to domain names registered before 22 November 2006.

On 22 May 2007, Mallinicks, in turn, rejected the submissions of Buys Inc. and confirmed that the Registrant will oppose whatever action the Complainant chooses to pursue.

### **3. PARTIES' CONTENTIONS**

#### **a. Complainant**

The Complainant has made the following contentions, namely that:

- i. It has rights in respect of the name or mark TELKOM and that the domain names in Dispute are identical or similar to this name or mark and are therefore abusive of registrations.
- ii. It is the registered owner, in South Africa, of various trade mark registrations dated from 1991 for the trade marks TELKOM and TELKOM & KEYPAD LOGO in various classes, including class 38 that relates to "telecommunications services class". In addition, the Complainant is the proprietor, in South Africa, of a further 105 (one hundred and five) trade mark registrations incorporating the TELKOM trade mark as well as the applicant for an additional 33 (thirty-three) trade mark applications incorporating the TELKOM trade mark.
- iii. It enjoys common law rights in the TELKOM trade mark. More particularly, it contends that its TELKOM trade mark is one of South Africa's most recognized brands. In support of this contention, the Complainant quotes from the 1998's Sunday Times/Markinor Top Brands Survey to show that TELKOM was (at that time) the "most recognized brand" in South Africa. The 2005 Sunday Times/Markinor Top Brands Survey showed that Telkom still featured in the National Top 10 Brand List. On the strength of this evidence, the Complainant contends further that TELKOM is a well-known brand in South Africa.
- iv. It has rights in respect of the name TELKOM flowing from its company registration TELKOM SA LIMITED.

- v. It has domain name rights based on its earlier registration of the domain name TELKOM.CO.ZA which was registered on 18 December 1995. The website [www.telkom.co.za](http://www.telkom.co.za) continues to attract a considerable number of monthly hits and unique visitors.
- vi. The TELKOM-INTERNET.CO.ZA domain name registration of the Registrant is identical to the Complainant's TELKOM INTERNET trade mark registration.
- vii. The disputed domain names TELKOMBUSINESS.CO.ZA, TELKOM-BUSINESS.CO.ZA, TELKOMCORPORATE.CO.ZA, TELKOM-INTERNET.CO.ZA and TELKOM-CORPORATE.CO.ZA are similar to the TELKOM name and mark since the Registrant has merely added descriptive wording i.e. the words BUSINESS, CORPORATE and INTERNET to the TELKOM name and mark.
- viii. The disputed domain names, in the hands of the Registrant, are abusive registrations. In support of this contention, the Complainant has submitted that, in terms of Regulation 4, the Registrant has registered the domain names primarily to:
  - block intentionally the registration of a name or mark in which the Complainant's has rights;
  - disrupt unfairly the business of the Complainant;
  - prevent the Complainant from exercising its rights in that the Complainant is prevented from registering the Disputed domain name in its own name.
- ix. In terms of Regulation 4, the Registrant has registered the domain names in a way that leads people to believe that the domain names are registered to, operated or authorized by, or otherwise connected with the Complainant.

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- x. The domain names in Dispute are abusive registrations as the Registrant is engaged in a pattern of making abusive registrations.

**b. The Registrant**

The Registrant has requested that this complaint be dismissed, for the following reasons:

- i. The submission of the Dispute by the Complainant for adjudication under the Regulations is "opportunistic and more importantly jurisdictionally without merit" (see also (v) below).
- ii. "The Complainant has never approached the Registrant directly and in an amicable or friendly way to seek transfer of the domain names in Dispute".
- iii. "The Complainant appears to have operated under the twin assumptions that domain names are firstly property and secondly that they belong to it." These assumptions, the Registrant submits, are incorrect.
- iv. The Registrant entered into an agreement with (the) Complainant in terms of which the present Dispute is settled.
- v. The Regulations, under which the Complainant has brought this Dispute, do not apply retrospectively to the domain names objected to.
- vi. In view of its submission that the Dispute is "jurisdictionally without merit", the Registrant does not consider it necessary to provide a Response to the Complainant's contentions that the domain names in dispute are abusive registrations.
- vii. The Regulations set up arbitration proceedings between the Complainant and Registrant. In terms of the Arbitration Act 42 of 1965 ('the Arbitration Act'), every arbitration shall be preceded by the parties agreeing to such arbitration.



The Registrant when registering the domain names in Dispute, never agreed to such arbitration, and is therefore not bound by the proceedings under the Regulations.

#### **4. DISCUSSION AND FINDINGS:**

##### **4.1 Multiple domain name registrations**

It is permissible, in terms of Regulation 16(2)(f) of the Regulations, to submit a domain name complaint, where such complaint deals with more than one domain name, provided that the same registrant registered the domain names objected to. It is common cause in the present proceedings that the Registrant registered all the domain names forming the basis of this complaint and the Adjudicator finds that the complaint may proceed accordingly.

##### **4.2 Procedural objections by the Registrant**

Before dealing with the merits of this Dispute, the Adjudicator needs to deal with the procedural objections raised by the Registrant.

###### **4.2.1 Jurisdiction**

The Registrant asserts that this Dispute/complaint should be rejected because the Regulations, which came into on 22 November 2006, do not apply retrospectively to the domain names in dispute, all of which were registered prior to 22 November 2006.

The Registrant submits, correctly, that in South African Law, such as in various jurisdictions internationally, there is a legal presumption that a statute does not apply with retrospective effect, unless the Legislature clearly intended the statute to have that effect (a retrospective statute has prospective application but imposes new results in respect of a past event). This presumption arises from the elementary considerations of fairness which dictate that individuals should have

an opportunity to know what the law is and to conform their conduct accordingly. Furthermore, the Legislature must be taken not to have intended anything unjust (see **National Director of Public Prosecutions v Carolus and Others** 2000 (1) SA 1127 (SCA) paragraph 31).

However, such as with any presumption, it is possible to rebut the presumption that a statute does not apply with retrospective effect and that it was the intention of the Legislature, either expressly or by implication, that a statute has retrospective application. Strong though the presumption against retrospectivity may be, it is nothing more than an aid in interpretation and must yield to the intention of the Legislature as it emerges from any particular statute. It is therefore imperative to ascertain the intention of the Legislature in determining if a statute has retrospective application (See **Kruger v President Insurance Co. Ltd** 1994 (2) SA 495 D at 503 E – F).

In **Kruger v President Co. Ltd** (supra 503 F – G) the court further confirmed that *"the conclusion that a statute was intended to operate with retrospective effect may be more readily arrived at in a case where vested rights would not be affected by a retrospective operation and also where the intention of the Legislature was clearly to bestow a benefit or to effect even-handedness in the operation of law"*.

It is further accepted that legislation, in certain instances, obtains retrospectivity, such as where:

- a. A statute deals with a topic or subject which has been a matter of some doubt and which is intended to clarify and settle that doubt, such as confirming the requirements for admission of an attorney (See **Ex Parte Christodolides** 1959 (3) 838 (T) 840H – 841A); and
- b. A statute deals with procedural matters. What this exception to the principal presumption seeks to convey is that acts committed, or transactions concluded, prior to the commencement of a statutory

prescribed new procedure are, if brought to suit subsequent to the commencement of the new procedure, adjudicated in accordance with the new procedure (See **Bezuidenhout v A.A. Mutual Insurance Association** 1978 (1) 703 (AD) 709 C – F).

Furthermore, our courts have confirmed that whether a statute is to be construed in a retrospective sense, and if so, to what extent, depends on the intention of the Legislature as expressed in the wording of the statute (See **Kruger v President Insurance Co. Ltd** supra 504 D – E).

In determining the possible retrospective application of the Electronic Communications and Transactions Act, 25 of 2002, (the “ECT Act”) and the Regulations, it is necessary to apply the above guidelines to the present facts. In this process, it is also necessary to summarise and, in some instances, quote the full main provisions of the ECT Act and the Regulations, especially as neither the ECT Act nor the Regulations contain any specific provision establishing, or preventing, the retrospective application of the ECT Act and the Regulations.

The ECT Act was promulgated on 2 August 2002 and the main considerations which prompted the passing of the ECT Act are set out in the Preamble, which reads as follows:

“To provide for the facilitation and regulation of electronic communications and transactions; to provide for the development of a national e-strategy for the Republic; to promote universal access to electronic communications and transactions and the use of electronic transactions by SMMEs; to provide for human resource development in electronic transactions; to prevent abuse of information systems; to encourage the use of e-government services; and to provide for matters connected therewith.”

Section 2 defines the main objects of the ECT Act and defines in Section 2(q) that one of the main objects of the ECT Act is to “ensure efficient use and management of the .za domain space”, something which was lacking at the time.

Sections 59 to 69 of the ECT Act regulate the use and management of the .za domain space, and Section 69 contains specific provisions relating to the establishment of regulations for an alternative mechanism for dispute resolution for the .za domain space. Section 69 reads as follows:

“69(1) The Minister, in consultation with the Minister of Trade and Industry, must make regulations for an alternative mechanism for the resolution of Disputes in respect of the .za domain name space.

69(2) The regulations must be made with due regard to existing international precedent.

69(3) The regulations may prescribe –

- (a) procedures for the resolution of certain types of Disputes determined in the regulations and which relate to a domain name registration;
- (b) the role which the Authority must fulfil in administering the Dispute Resolution Procedure;
- (c) the appointment, role and function of Dispute Resolution Adjudicators;
- (d) the procedure and rules which must be followed in adjudicating Disputes;
- (e) unlawful actions or activities in respect of domain names, distinguishing between criminal and civil liability;
- (f) measures to prevent unlawful actions or activities with respect to domain names;

- (g) the manner, costs of and time within which a determination must be made;
- (h) the implementation of determinations made in terms of the Dispute Resolution Procedure;
- (i) the limitation of liability of registrars and registries of implementing a determination; and
- (j) the enforcement and publication of determinations”.

On 22 November 2006, the Regulations, published in terms of Section 69 of the ECT Act, came into effect, setting out the procedure for Alternative Dispute Resolution.

The Regulations define abusive and offensive registrations as follows:

“Abusive registration” means a domain name which either –

- (a) was registered or otherwise acquired in a manner which, at the time when the registration of 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.

“Offensive registration” means a domain name in which the complainant cannot necessarily establish rights but the registration of which is contrary to law, *contra bonos mores* or is likely to give offence to any class of persons”.

Regulation 2 defines the application of the Regulations and states as follows:

"2(1) These Regulations may include everything provided for under section 69(3) of the Act in connection with a domain name dispute between a complainant and a registrant over the registration and use of an Internet domain name registered in specific second level domains in the .za domain name space, but excluding second level domain names.

2(2) Only Internet domain names registered in the .co.za second level domain shall be open to Alternative Dispute Resolution under these Regulations."

Furthermore, Regulation 3, under the heading "Dispute Resolution Service", states as follows:

"3(1) A registrant must submit to proceedings under the rules if a complainant asserts, in accordance with the procedure, that –

- (a) the complainant has rights in respect of a name or mark which is identical or similar to the domain name and, in the hands of the registrant the domain name is an abusive registration; or
- (b) the domain name, in the hands of the registrant, is an offensive registration."

Regulation 4 provides further that:

"4(1) Factors which may indicate that the domain is an abusive registration includes –

- (a) Circumstances indicating that the registrant has registered or other wise acquired the domain name primarily to ..."
- (b) Circumstances indicating that the registrant is using, or has registered, the domain name ..."

From the above, it is evident that it was the intention of the Legislature with the enactment of the ECT Act, and the Regulations promulgated in terms of the ECT Act, to regulate the .za domain space in its entirety. There is no indication that the Legislature intended regulating the .za domain space from a specific date onwards only and the only limitation that the ECT Act and the Regulations contain, regarding the application of the procedures created in terms of the Regulations, is found in the wording of Regulation 2(2). Regulation 2(2) provides that "only internet domain names registered in the .co.za second level domain shall be open to Alternative Dispute Resolution under these regulations".

The use by the Legislature of the phrase "at the time when the registration or acquisition took place" in the definition of "abusive registration", leaves no doubt that the date relevant to determining if a registration is an abusive registration, or not, is the date on which the registration or acquisition took place and that the Legislature intended retrospective application of the Regulations.

Regulation 3 states further that if it is alleged by a complainant that a domain name registration, in the hands of the registrant, is an abusive registration, the registrant must submit to proceedings in accordance with the Regulations. Compelling a registrant to submit to procedures instituted in terms of the Regulations resulting from a mere allegation by the Complainant that an "abusive registration" exists in the hand of registrant, suggests that the Legislature did not intend limiting the application of the Regulations to a specific date, especially if one takes into consideration that whether or not a registration is abusive, will be determined against the facts relevant on the date when the registration or acquisition took place.

Further to the above, and although the definition of "offensive registration" does not, similar to the definition of "abusive registration", contain a specific indication that the date on which the offensiveness of a registration must be determined is the date of registration or acquisition, thereby creating retrospective application of the Regulations, the definition appears to support the retrospective application of the Regulations. The basis for this finding is that there is no indication that the

Legislature intended to limit the application of the definition of “offensive registration” to instances where the registration of the domain name took place post or on 22 November 2006 only. To the contrary, it appears that the intention of the Legislature was to extend the application of the definition of “offensive registration” to all domain names, irrespective of the date of registration, and not to limit the date on which the determination of offensiveness of a registration must be established, to a specific date. It therefore appears that the Legislature intentionally provided for the “date of determination” to be any date during the existence of the domain registration, including the date of registration.

The provisions of Regulation 4, which deals with factors that may indicate that a domain is an abusive registration, also suggest that the Legislature did not intend limiting the Regulations in their application to domain names registered on or post 22 November 2006. The use of the specific wording “has registered” suggests that the Legislature intended a wide application of the Regulations i.e. to domain registrations, irrespective of their date of registration.

Finally, the assumption of the Registrant that retrospective application of the Regulations would result in “unfair consequences” is not supported by the evidence. There is no indication that a retrospective application of the ECT Act and Regulations will impact adversely on the rights of registrants which held domain name registrations lawfully prior to 22 November 2006.

In view of the above, the wording used by the Legislature in the ECT Act and the Regulations as well as in the absence of any clear indication in the ECT Act and the Regulations that they do not have retrospective application, the Adjudicator finds that it was the intention of the Legislature to apply the ECT Act and Regulations to all .co.za domain registrations, irrespective of their date of registration. There is no evidence that it was the intention of the Legislature to limit the application of the ECT Act and the Regulations, thereby creating two categories of domain registrations, the one category being those domain names registered prior to 22 November 2006 and which are not subject to the



Regulations, and the other being those domain names registered on, or post, 22 November 2006, which are subject to the Regulations.

The Registrant's procedural objection is accordingly dismissed.

#### **4.2.2 The Arbitration Act 42 of 1965**

The Registrant asserts that this Dispute should be rejected because the Regulations set up arbitration proceedings between the Complainant and the Registrant, to which proceedings the Registrant never agreed to. As such, the procedures are flawed and contrary to the provisions of the Arbitration Act.

It is correct that the Arbitration Act requires the parties to agree to arbitration before a matter may be referred to arbitration and it is necessary to determine if the present proceedings constitute such arbitration proceedings. The provisions of the Arbitration Act as well as the Regulations to the ECT Act relevant and must be considered.

The Arbitration Act contains the following definitions:

"arbitration agreement - means a written agreement providing for the reference to arbitration of any existing Dispute or any future Dispute relating to a matter specified in the agreement, whether an arbitrator is named or designated therein or not."

"arbitration proceedings - means proceedings conducted by an arbitration tribunal for the settlement by arbitration of a Dispute which has been referred to arbitration in terms of an arbitration agreement."

"arbitration tribunal - means the arbitrator, arbitrators or umpire acting as such under an arbitration agreement."

Section 40 of the Arbitration Act further states that:

“This Act shall apply to every arbitration under any law passed before or after the commencement of this Act, as if the arbitration were pursuant to an arbitration agreement and as if that other law were an arbitration agreement: Provided that if that other law is an Act of Parliament, this Act shall not apply to any such arbitration in so far as this Act is excluded by or is inconsistent with that other law or is inconsistent with the regulations or procedure authorized or recognized by that other law”.

Contrary to the Arbitration Act, the Regulations provides for an “alternative Dispute Resolution” procedure, which, presently differs from arbitration procedures under the Arbitration Act, firstly, as the registrant, in the circumstances set out in Regulation 3, is compelled to submit to the procedures introduced by the Regulations and secondly, as a finding in terms of the Regulations, will also bind a third party, i.e. the second level domain administrator.

In view of the above, the Adjudicator finds that the provisions of the Arbitration Act are, in terms of Section 40 of the Arbitration Act, not applicable to the present procedures and that the Regulations regulate the present Dispute. The Registrant’s procedural objection is accordingly dismissed.

### **4.3 Substantive issues**

The Registrant states in paragraph 8.3 of its Response that it does not “consider it necessary to provide a Response regarding whether the Complainant’s contentions that the domain names in dispute are abusive, have merit or not”. The Registrant accordingly did not submit any evidence and did not avail itself of the opportunities created by Regulation 5 to contradict the Complainant’s submissions that the domain names included in this Dispute constitute “abusive registrations” in the hands of the Registrant.

Notwithstanding the absence of a Response from the Registrant, Regulation 3(2) still requires the Complainant to prove, on a balance of probabilities, to the Adjudicator that the requirements set out in Regulation 3(1) (a) are present i.e. that the Complainant has:

- a. rights in respect of a name or mark;
- b. that the name or mark is identical or similar to the domain names; and
- c. that the domain names, in the hands of the Registrant, are "abusive registrations".

**a. Does the Complainant have rights in respect of a (relevant) name or mark?**

The Complainant is the proprietor of a number of South African trade mark registrations for the trade mark TELKOM (on its own) as well as several South African trade mark registrations in which the trade mark TELKOM is used as part of a composite trade mark.

The above trade mark registrations are presently in force and are *prima facie* valid and enforceable. This clearly provides the Complainant with rights in terms Section 34 of the Trade Marks Act 194 of 1993 that can be enforced in case of infringement of any of the Complainant's trade mark registrations. Infringement would take place if a person, in an unauthorized manner, used the identical trade mark TELKOM, or a confusingly similar trade mark such as TELKOMCORPORATE, TELKOM BUSINESS, TELKOM INTERNET, etc., in respect of the goods or services specified under such trade mark registrations, such as telecommunication services, or even in respect of goods or services similar to those goods and services included in the registered TELKOM trade marks.

The Complainant furthermore claims to have rights in, and to, its name TELKOM flowing from its company registration in terms of the Companies Act, 61 of 1973.

The Complainant also claims to have extensive common-law rights in the name and trade mark TELKOM flowing from its use thereof.

Finally, the Complainant asserts that it has rights in and to, and flowing from its domain registration, TELKOM.CO.ZA.

By way of summary, and in the absence of evidence to the contrary, the Adjudicator finds, on a balance of probabilities, that the Complainant has proved that it has rights in the name or mark TELKOM

**b. Is the name or mark identical or similar to the domain names?**

In support of this assertion, the Complainant has submitted the following:

Firstly, the disputed domain names are similar to the Complainant's name and trade mark TELKOM since the Registrant has merely added the generic words BUSINESS, INTERNET and CORPORATE to the word TELKOM.

Secondly, the disputed domain name, TELKOM-INTERNET, is identical to the TELKOM INTERNET trade mark registration of the Complainant.

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

In WIPO/D2002-0367 the Panel concluded that: "*The disputed domain name contains Complainant's EXPERIAN trade mark in its entirety. The addition of the generic term "automotive" does not distinguish Respondent's domain name from Complainant's mark*".

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

The Adjudicator therefore agrees with the finding in SAIPL decision ZA2007-0003 TELKOM SA LIMITED v COOL IDEAS 1290 CC that the TELKOM name and mark is undeniably the first and dominant feature of the domain names and is the feature that is known to the public. The Registrant has presently merely added a descriptive / generic word to the distinctive trade mark and cannot escape the inevitable conclusion that the Complainant's name and mark TELKOM is similar to the disputed domain names and (in the case of domain name TELKOM-INTERNET is identical to the Complainant's trade mark).

Accordingly, the Adjudicator, on a balance of probabilities, finds that the Complainant's name and trade mark TELKOM is similar to that of the disputed domain names.

**c) Are the domain names, in the hands of the Registrant, abusive registrations?**

The Complainant asserts that the domain names in hands of the Registrant are abusive registrations on the following basis:

- The Registrant has registered the domain names in an effort to intentionally prevent the Complainant from exercising its rights i.e. registering domain names in which the Complainant has rights;
- Based on the Registrant's admitted intention to continue using the domain name TELKOMBUSINESS.CO.ZA, the Complainant submits that the Registrant intended to unfairly disrupt the business of the Complainant;

- Besides the factual question of the disputed domain names preventing the Complainant from exercising its rights and disrupting unfairly the business of the Complainant, it raises the question whether the Registrant had acted in good faith or otherwise, in registering the disputed domain names, especially in registering such domain names subsequent to the Complainant's initial objection; and
- The Registrant is engaged in a pattern of making abusive registrations by registering five domain names that incorporate the name or mark of the Complainant over a six month period.

The Registrant had warranted, when registering the disputed domain names in terms of the UniForum SA Terms and Conditions (clause 5.1), that:

1. it has the right without restriction to use and register the domain name;
2. the use or registration of the domain name by "the Registrant" does not or will not interfere with nor infringe the right of any third party in jurisdiction with respect to trade mark, service mark, trade name, company name, close corporation and copyright or any other intellectual property right.

It appears to be undeniable that the Registrant and its members knew of the Complainant's name trade mark TELKOM, and that it had no right to the TELKOM name or trade mark, especially when registering the domain names TELKOM-BUSINESS, TELKOM-INTERNET, etc., which registrations took place after the Complainant initially objected to the registration of the domain name TELKOMBUSINESS.CO.ZA.

Therefore, and in the absence of contentions to the contrary by the Registrant, it appears to the Adjudicator that the disputed domain registration was made in bad faith, in an attempt to unfairly disrupt the business of the

Complainant and to prevent the Complainant from exercising its rights by blocking intentionally the registration of a name or mark in which the Complainant has rights. However, the Complainant's contention that the Registrant is involved in a pattern of making abusive registrations is rejected.

The Adjudicator accordingly finds that the domain names are, in the hand of the Registrant, abusive registrations.

#### **4.4 The Parties settled the Dispute**

The Registrant raised a defence that the parties had settled the present matter prior to the Dispute was instituted and submitted a letter dated 30 June 2006 sent by the Registrant to the Complainant, as evidence in support of this contention.

It further appears from the evidence that the Registrant had registered a further 3 domain registrations, all forming part of the present Dispute, subsequent to 30 June 2006, the date on which the Registrant alleges the parties had settled the matter. These registrations can not be said to have form part of any agreement that the parties may have reached on 30 June 2006.

The above letter in no way supports the Registrant's contention that the matter had been settled prior to the Complainant instituting proceedings. Furthermore, the fact that the Registrant decided to register further domain names containing the word TELKOM, knowing that the Complainant objects to the Registrant's use of the word TELKOM as part of domain names not registered in the name of the Complainant, does not support the Registrant's contention that the present Dispute was settled on 30 June 2006. The Adjudicator accordingly rejects the Registrant's defence.

## **5. DECISION**

For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain names be transferred to the Complainant.

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**MR. DEON BOUWER**

SAIPL SENIOR ADJUDICATOR

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