

## **Decision**

**[ZA2010-0053]**

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

### **ADJUDICATOR DECISION**

CASE NUMBER:	<b>ZA2010-0053</b>
DECISION DATE:	<b>06 December 2010</b>
DOMAIN NAME:	<b>x-tend-a-wall.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Site Design (Ronnie du Toit) and/or Mr Matthew Wikinson</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Brian Bacon Inc</b>
THE COMPLAINANT:	<b>Mend A Wall CC</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Adams and Adams</b>
2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATORS:	<b>UniForum SA (CO.ZA Administrators )</b>

---

## 1.Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIPL”) on **14 September 2010**. On **20 September 2010** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name(s) at issue, and on the same day UniForum SA confirmed that the domain name had indeed been suspended. The SAIPL verified that the satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”), and the SAIPL’s Supplementary Procedure.
- b) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **1 October 2010**. In accordance with the Regulations the due date for the Registrant’s Response was **1 November 2010**. The Registrant submitted its Response on **29 October 2010**, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL’s Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant on **2 November 2010**.
- c) In accordance with the Regulations the due date for the Complainant’s Reply was **9 November 2010**. The Complainant submitted its Reply on **8 November 2010**. On **11 November 2010** the Registrant sent an extra-procedural e-mail in which the Reply of the Complainant was addressed.
- d) The SAIPL appointed **Janusz Luterek** as the Adjudicator in this matter on **18 November 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 [x-tend-a-wall.co.za](http://x-tend-a-wall.co.za) was registered on 11 September 2009 to Site-Design, however, it is common cause that this is a service firm and that

the true Registrant is Matthew Wilkinson.

- 2.2 Neither the Complainant nor the Registrant have alleged to have applied for or obtained registration of a South African Trademark for “x-tend-a-wall” in the relevant class/es or at all.
- 2.3 Both Complainant and Registrant operate businesses of a construction services nature in which the height of pre-fabricated concrete walls are raised.
- 2.4 A License Agreement was entered into between Mark Edward SWIFT, of whom the Complainant claims to be a successor in title, and Bruce E Wilkinson, which agreement has an effective date of 28 August 2004 and neither party disputes the fact of the Agreement, however, there is a dispute as to whether it was at all material times in force.
- 2.5 The sole member of the Complainant has registered several domain names viz. [extendawall.co.za](http://extendawall.co.za) and [xtendawall.co.za](http://xtendawall.co.za) on 7 May 2009 and 26 August 2008 respectively, as confirmed on the Whois server.

### 3. Parties' Contentions

#### 3.1 Complainant

- a) It is submitted by Complainant that the domain name is identical or similar to a name or mark in which the Complainant has rights and is an abusive registration [Regulation 3(1)(a)]. The Complainant contends that it and its predecessors in title have for over ten years traded in South Africa under the trade mark, trade name and trading style **X-TEND-A-WALL** in relation to pre-cast walling extension products and services.
- b) The Complainant contends that it acquired its rights to the mark **X-TEND-A-WALL** in March 2009 when it acquired the pre-cast walling extensions business of a business that traded as **X-TEND-A-WALL**, together with the reputation in the trade name, trade mark and trading style **X-TEND-A-WALL** and the associated intellectual property as

part and parcel of the goodwill in the business.

- c) It is further contended that the reputation and association between the trade mark and the business of Complainant existed before **11 September 2009**, the date on which the Registrant registered the domain name **x-tend-a-wall.co.za** and based on the reputation in the **X-TEND-A-WALL** trade mark, the Complainant had enforceable rights in the trade mark at common law on **11 September 2009** and continues to hold such common law rights.
- d) A website linked to the domain name **x-tend-awall.co.za** is used by a business that trades as **X-TEND-A-WALL** in direct competition with the Complainant.
- e) The business at **x-tend-a-wall.co.za** was formerly a franchisee of the Complainant and was licensed to use the Complainant's name and patented wall extension method in terms of the License Agreement referred to in 2.d. above., but that the license agreement terminated at the death of the Licensor and no longer subsists.
- f) The Complainant contends that the License Agreement in any event licensed Bruce E Wilkinson specifically to use the trade mark and trade name **X-TEND-A-WALL CAPE**.
- g) The Complainant, in response to Registrant's response that the License Agreement is still of full force and effect, contends that if that were the case then the Registrant would still not be entitled to register the domain name **x-tend-a-wall.co.za** for its own benefit.

### **3.2 Registrant**

- a) Registrant is declared to be Matthew Wilkinson.
- b) The Registrant denies that the registration is an abusive one and contends it is a bona fide one to which the registrant is entitled and which it uses in the course of trade.
- c) The alleged term for which the Complainant and its predecessors in

title have traded is not admitted by Registrant although some trading under this name is admitted in a small area of Gauteng and the fact that mark Swift traded in 2000 is not denied.

- d) The Registrant does not deny that the Complainant obtained rights by purchase of a business from Edward Swift the heir to the estate of Mark Swift. However, the extent of these rights as stated by Complainant is not admitted by the Registrant and the Registrant denies that Complainant purchased the business of the deceased Mark Swift.
- e) Registrant contends that if there is any reputation in the **X-Tend-A-Wall** name which vested in Mark Swift it cannot extend beyond the limited area of Gauteng to which his trading activities were confined and combined with the geographical trading areas of the Complainant and the Registrant, there can be no confusion of the public as a person wishing to have a wall extended in Gauteng is highly unlikely to order same from the Western Cape.
- f) The Registrant further contends that the license agreement was never cancelled and was at all material times and still is of full force and effect and no renewal was ever required. Accordingly, Registrant contends, X-TEND-A-WALL CAPE is entitled to register the domain name in dispute for itself to use bona fide in its course of trade.

#### 4. Discussion and Findings

- i) By way of background, Sub-Regulation 3(2) states that a complainant is required to prove on a balance of probabilities to the Adjudicator that all the required elements in Sub-Regulation 3(1) are present. This latter Sub-Regulation requires that the following has to be shown in accordance with this Dispute procedure –
  - (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.
- ii) In the Definitions Regulation 1, “abusive registration” is defined 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.

Thus, the Complainant, in order to succeed, has to prove, on a balance of probabilities, the following three elements, viz that –

- (a) it has rights in respect of the name or mark x-tend-a wall; and
- (b) x-tend-a wall is identical or similar to the disputed domain name viz x-tend-a-wall.co.za; and
- (c) in the hands of the Registrant, the domain name is an abusive registration.

A number of decisions have been made on the issue of the rights of a complainant in a name or mark including two local decisions viz. ZA2007-0001 and ZA2009-0035 where extensive reference is made to both law and local and foreign decisions and it is unnecessary to repeat these discussions here.

The more vexing issue is whether the Registrant is a licensee of Complainant, and if so, then what are their respective rights to register a domain name which corresponds entirely to the business style and common law trade mark of the Complainant viz. the licensor or, to use the terminology of the parties, the franchisor.

The e-mail from Registrant after the Reply by Complainant was not procedural and was in any event a commentary and of no evidentiary value and the contents thereof have not and even if considered would not have had

an impact on the decision below.

#### 4.1 Complainant's Rights

4.1.1 It is common cause between the parties that the Complainant has rights in the name, business style and common law trade mark, **x-tend-a wall**, however, Registrant disputes the National reach thereof. This can be inferred from Registrant's reliance on being a franchisee of the Complainant as well as the admissions made in the Response filed by the Registrant.

4.1.2 The facts in ZA2009-0035 are not dissimilar on the point of local goodwill, in that the Registrant there argued that the Complainant was only active in Port Elizabeth and was unknown in Cape Town where the Registrant trades. In that case the Adjudicator succinctly summarised the law on goodwill and the location of a party and determined that following the principles of South African law the Complainant had rights in the trading style and name throughout South Africa if it had activities outside its immediate vicinity. In the present case, from the documents alone, it is clear that **x-tend-a-wall** was known in Cape Town through its licensee, Bruce E Wilkinson who thought it was sufficiently well known to adopt the trading style and trade mark of the Complainant. Accordingly, Complainant and its predecessor in title had acquired goodwill and thus common law rights in Cape Town, outside its immediate vicinity in Gauteng, and is thus entitled to common law rights throughout South Africa.

4.1.3 The question remains whether the license agreement remained in force at the time that Registrant registered the Domain Name x-tend-a-wall.co.za being **11 September 2009**. The death of one of the signatories, where there is a successor in title, does not by law result in the termination of the license agreement unless there was a term in the license agreement to that effect, nor would the mere failure to pay royalties in itself terminate a license agreement but would instead give rise to a cause of action to sue for the unpaid royalties, which the

---

Complainant may yet decide to do in due course.

- 4.1.4 In either event however, the outcome is the same, if the license agreement is in force, as contended by the Registrant, then it cannot register the Domain Name for its own benefit and furthermore, the license agreement at 4.2. includes the warrantee and undertaking that “he shall use the TRADE MARK only in the authorised form ‘EXTEND-A-WALL CAPE’”, which is clearly different from the registered Domain Name in question viz. **x-tend-a-wall.co.za** which corresponds to Complainants business style and common law trade mark. If the license agreement was indeed cancelled prior to **11 September 2009**, as Complainant contends, then as discussed in 4(a) (ii) above the Complainant would in any event have national rights in the trade mark “**x-tend-a-wall**”, and the outcome would be the same on the point as to whether the Complainant has rights therein.
- 4.1.5 Registrant has a further problem, in that the license agreement was entered with a Bruce E Wilkinson whereas the Response was filed on behalf of a Matthew Wilkinson and there is no explanation in the Registrant’s Affidavit as to what the connection might be between Bruce E Wilkinson, Matthew Wilkinson, and the business operating at the website [x-tend-a-wall.co.za](http://x-tend-a-wall.co.za) under the trading style **X-TEND-A WALL CAPE**. As the Adjudicator can only make a finding on the facts placed before him by way of Affidavit, even if the license agreement did exist, is still of full force and effect and had even granted the rights that the Registrant contends it did, this would not assist the Registrant in any way as the Registrant, from the papers, is not connected to the alleged licensee since on the Registrant’s own version at page 9 of the Affidavit, under the heading “IT IS SUBMITTED THAT.....”, the Registrant submits that **X-TEND-A-WALL CAPE** is the successor in title to Bruce Wilkinson and not to the Registrant and there is no submission as how the alleged licensee is connected to the Registrant. It is however clear from the very fact that the Registrant responded to the complaint, that Registrant at least tacitly permits the



**X-TEND-A-WALL CAPE** business to use the domain name for trading purposes and is knowledgeable of at least some of the facts surrounding the complaint.

4.1.6 The conclusion of the Adjudicator is that Complainant has at all material times been the proprietor of the common law trade mark and business style “**x-tend-a-wall**” and it is unnecessary to decide whether the license agreement was cancelled or not.

#### 4.2 **Abusive Registration**

4.2.1 It is common cause that Complainant intends to extend its business operations to other locations in South Africa to exploit and enjoy the benefits of its common law trade mark, and that since a Domain Name in the .co.za Domain covers the whole of South Africa, the actions of the Registrant are frustrating this intention and furthermore will very likely lead to confusion of the public as to whom they are dealing with. The Complainant has pointed out that the disputed domain name registration not only prevents the Complainant from registering x-tend-a-wall.co.za as its own domain name but also prevents the Complainant from operating a website from such domain name. This has the effect of being detrimental to the business of the Complainant unfairly inter alia because the Complainant is prevented from using its business style and common law trade mark as a domain name to attract customers and to promote its business.

4.2.2 Various UDRP decisions have found that disruption (considered equivalent of being detrimental) of a complainant's business may be inferred if the registrant has registered the identical name or mark. See for example the foreign decisions in WIPO/D2000-0777, NAF/FA94942, NAF/FA9496 3 and NAF/FA95402, ZA2007-0003, and 2009-0035. In these decisions, the adjudicators had found that disruption of a business may be inferred if the Registrant has registered a variation of the Complainants mark by adding a descriptive term. In the present Dispute, this inference is even more

strongly applicable when the disputed domain name is identical to the name and trade mark of the Complainant.

4.2.3 Accordingly, the Adjudicator finds, on a balance of probabilities, that by registering the disputed domain name, the Registrant has acted unfairly detrimentally to the business of the Complainant.

#### 4.3 **Offensive Registration**

4.3.1 The Adjudicator does not consider this to be relevant to the complaint.

### 5. **Decision**

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

.....  
**[JANUSZ F LUTEREK]**  
SAIPL SENIOR ADJUDICATOR  
[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)