

Decision

[ZA2010-0054]

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2010-0054
DECISION DATE:	23 February 2011
DOMAIN NAME	maziya.co.za
THE DOMAIN NAME REGISTRANT:	DataOpt CC
REGISTRANT'S LEGAL COUNSEL:	Selepe Attorneys
THE COMPLAINANT:	Maziya Funeral Home CC
COMPLAINANT'S LEGAL COUNSEL:	Motalane Kgariya Attorneys
2 nd LEVEL ADMINISTRATOR:	UniForum SA (CO.ZA)

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the SAIPL) on 16 September 2010. On 20 September 2010 the SAIPL transmitted by e-mail to UniForum SA a request for the Registry to suspend the Domain Name at issue. On 20 September 2010 UniForum SA confirmed that the Domain Name had indeed been suspended. The SAIPL verified that the Dispute 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 28 October 2010. In accordance with the Regulations the due date for the Registrant’s Response was 25 November 2010.

On 28 October 2010 the Registrant was informed by the SAIPL to submit its Response on or before 17 December 2010. This date was incorrect due to an administrative error on the part of the SAIPL. Later on 28 October 2010 the Registrant was informed that the correct date for the submission of its Response was 25 November 2010 and not 17 December 2010 as previously advised. In its application for condonation the Registrant stated that due to an administrative oversight on the part of the Registrant, this later correspondence was overlooked.

On 3 December 2010, upon receiving an e-mail from the SAIPL informing it of its default in submitting a Response, the Registrant requested condonation for the late filing of its Response. The Registrant submitted its Response on 7 December 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 9 December 2010.

- c) In accordance with the Regulations the due date for the Complainant’s

Reply was 16 December 2010. The period between 16 December 2010 to 15 January 2011 is regarded as *dies non*. The Complainant's Response was accordingly due on 16 January 2011. On 19 January 2011, the Complainant was informed by the SAIPL that the Registrant's application for condonation for the late filing of its Response had been granted and that the Complainant's Reply was now due. On 9 February, the Complainant informally requested an extension of time for the filing of its Reply. The Complainant was informed to submit its Reply, which would be considered at the discretion of the Adjudicator due to the fact that such submission was out of time. On 14 February 2011 the Complainant submitted its Reply.

- d) The SAIPL appointed Charles Webster as the Adjudicator in this matter on 8 December 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.
- e) The request for condonation for the late filing of the Registrant's Response was granted on the basis that the Registrant's late response was due to a genuine oversight on its part. It was not in wilful default of the Regulations to respond timeously and the Complainant will suffer no prejudice by the granting of such condonation.
- f) The request for condonation for the late filing of the Complainant's Reply was also granted by the Adjudicator so as not to prejudice any of the respective parties' rights. Although out of time the Adjudicator duly considered the Complainant's Reply. In any event the Complainant is the person to whom this dispute belongs and the only person prejudiced by the delay is the Complainant himself.

2 Factual Background

- 2.1 The Complainant is Maziya Funeral Home CC, a close corporation duly incorporated in accordance with the laws of the Republic of South Africa and

having its principal place of business at 44 Hatamburg Street, Glenvista, Johannesburg. The Complainant conducts business as a funeral home.

- 2.2 The Registrant is DataOpt CC, a close corporation duly incorporated in accordance with the laws of the Republic of South Africa and having its principal place of business at 1 Main Reef Road, Benoni. The Registrant conducts business as a Software Developer.
- 2.3 The dispute concerns the Domain Name maziya.co.za, which was registered by the Complainant on or about 6 October 2004. The Complainant has been in business since 1999 and has been trading extensively under the name Maziya Funeral Home.
- 2.4 On or about August/September 2009, the Registrant submitted a proposal to the Complainant to provide it with a business software management solution. During the course of the discussions regarding the proposal an agreement was entered into between the parties in terms of which the Registrant was required to upgrade and improve the Complainant's website and conduct website hosting services on behalf of the Complainant. The Registrant informed the Complainant that for ease of hosting the Domain Name was to be transferred to it. The Complainant agreed and the Domain Name was subsequently transferred to the Registrant. There are disputes of fact relating to other terms of the agreement.
- 2.5 The Complainant's access to the website and e-mail has been suspended by the Registrant.

3 Parties' Contentions

3.1 Complainant

- a) The Complainant contends that it has over a sustained period of time, built an image, goodwill and reputation in the name Maziya and thus has rights in the Domain Name having regard to the initial registration of the Domain Name and also common law rights, which stem from

the extensive use of the name and trading style Maziya Funeral Homes.

- b) It further contends that the registration of the Domain Name in the hands of the Registrant is an abusive registration in terms of Regulation 3(1)(a). The Registrant has no legitimate interest in the Domain Name, has no rights in and to the name Maziya Funeral Home and has no reason or right to suspend the Domain Name.
- c) The Registrant has not utilised the Domain Name commercially and the Domain Name is held for no apparent bone fide reason, other than to mala fide disrupt the business interests of the Complainant.
- d) The Registrant has unfairly disrupted its business and this prevents it from exercising its rights in respect of the Domain Name.

3.2 Registrant

- a) The Registrant contends that the Dispute Resolution Provider has no jurisdiction to hear this matter as it relates to a contractual dispute between the parties.
- b) The Registrant further contends that it was an implied term of the oral agreement between the parties that a fee for hosting the Domain Name would be charged and such fee would be payable in advance. It was also a tacit term that should said fee not be paid the hosting would be suspended.
- c) The Registrant invoiced the Complainant for the hosting of the Domain Name and the complainant failed, refused or neglected to pay for the hosting.

4 Discussion and Findings

- a) The Registrant contends that the Alternative Dispute Resolution provider has no jurisdiction to hear a dispute that arises out of breach of contract.

Regulation 2(1) of the Alternative Dispute Regulations provides that:

- i) *The application of 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.*

Section 69(3)(c) provides:

The Regulations may prescribe the appointment, role and function of dispute resolution adjudicators

- b) Further, in terms of Section 65 (6)(b) of The Electronic Communications and Transactions Act (Act) and Chapter IV of the Regulations the SAIPL has been accredited as a Dispute Resolution Service Provider by the Domain Name Authority. Section 65(6)(b) of the Act provides that:

- i) The Authority may:
appoint experts and other consultants on such conditions as the authority may determine

Therefore, the Authority is authorised to hear the dispute in so far as it relates to the domain name and the SAIPL has been duly appointed to adjudicate on this matter.

- c) It is not for the Adjudicator to decide the contractual dispute between the parties, in particular whether or not money is owed by the Complainant to the Registrant in terms of the contract. In the event that the Complainant owes money to the Registrant, suspending the Complainant's access to the Domain Name and withholding ownership of same from the rightful owner is not an acceptable remedy (*Henningsrefrigeration v Cheryl Katz, case number ZA2010-0039*).

This judgement further provides that “*There is no right in common law to withhold goods until payment therefor has been received, and the Registrant has not proved any contractual arrangement between the parties that varies this position*”. This applies equally in this matter.

- d) The Adjudicator has found that the Complainant has rights in the name Maziya in terms of Regulation 3(1)(a). These rights stem from the initial registration of the disputed Domain Name by the Complainant, as well as its common law rights in the name Maziya Funeral Home. The Complainant submitted evidence from which it is apparent that the Complainant and its employees have made use of “@maziya.co.za as an e-mail address. The Complainant had also established a website from the Domain Name. All of these trading activities took place prior to its involvement with the Registrant. None of this evidence has been disputed by the Registrant.
- e) Significantly, in paragraph 43 of the answering affidavit the Registrant states “*the ownership of the domain name remains with Mothusi Maziya. DataOpt is merely hosting the domain*”. It is accordingly common cause that ownership vests and has always vested with the Complainant and the Registrant was, in terms of the agreement between the parties, merely hosting such domain.
- f) This then leaves the question of whether the Domain Name in the hands of the Registrant is an abusive registration. An abusive registration in terms of Regulation 1 is defined as a Domain Name which either:
- 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
 - has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant’s rights.

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- g) In terms of Regulation 4(1)(a), the factors which may indicate that a Domain Name is an abusive registration includes circumstances where a Registrant has registered or acquired a Domain Name primarily to disrupt unfairly the business of the Complainant, or to prevent the Complainant from exercising his or her rights in respect of the Domain Name.
- h) The case of Embassy Travel (Pty) Ltd v NU-COM Systems (Pty) Ltd (case number ZA2008-0024), stated that, *“Regulation 4(1) does not purport to establish a numerus clausus of what constitutes abusive registrations. In the adjudicators view, the undisputed facts reveal that the Registrant’s conduct is unfair. Nothing in the IT Service Agreement, which regulated the relationship between Trabusol (Pty) Ltd, and the XL Travel companies, provides for a type of hypothecation of the domain name, which otherwise could explain the existing state of affairs. Not even the Registrant’s version warrants or justifies suspension of the domain”*.
- i) There can be no doubt that the Registration of the Domain Name by the Registrant is unfairly detrimental to the Complainant’s rights. There also can be no doubt that the subsequent suspension of the Domain Name is in fact disrupting the business of the Complainant and preventing him from exercising his rights in respect of the Domain Name. This is evidenced by the fact that the Complainant has been unable to communicate with any of its customers via e-mail and the Complainant’s website is unavailable. The Complainant has had to incur the cost of creating another website.
- j) Furthermore, it is by the Registrant’s own admission that the Complainant is the rightful owner of the Domain Name and the Registrant is merely hosting such domain. The Registrant conceded that it has no right or interest in the Domain Name.

5. Decision

- 5.1 In the circumstances, the Adjudicator finds the registration of the Domain Name is abusive in the hands of the Registrant.

5.2 The Adjudicator therefore orders the Domain Name to be transferred to the Complainant.

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Charles Webster
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co