

Decision

ZA2011-0071

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2011-0071
DECISION DATE:	15 JUNE 2011
DOMAIN NAME	techsolution.co.za
THE DOMAIN NAME REGISTRANT:	Nadine Barnad
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	Techsolutions Pty Ltd
COMPLAINANT'S LEGAL COUNSEL:	DM Kisch Inc
2 nd LEVEL ADMINISTRATOR:	UniForum SA (CO.ZA)

1 Procedural History

- a) This section records the background both prior to and upon the lodging of the complaint.
- b) On 3 November 2007 Nadine Barnard registered the domain name in question, namely <techsolution.co.za>. For reasons which become apparent below, it is relevant to note that her email address was "nadine@techsolution.co.za". She authored emails as 'Nadine Adler', and the Complainant alleges that she is the wife of Mr Greg Adler, to whom reference will also be made below.
- c) The Complainant has had the domain techsolutions.co.za since February 2000. It first became aware of the domain <techsolution.co.za> on 31st March 2009, because an email from a customer of Ms Barnard was mistakenly sent not to her address but to "sales@techsolutions.co.za".
- d) The CEO of the Complainant, Mr Eon De Koker, must have ascertained her name and address from the email trail which accompanied the erroneous communication. He replied to Ms Barnard as follows:-

"Dear Nadine,

We have received this message from your client, who seems confused by the name of your company as it is very close to ours. Our company, Techsolutions (Pty) Ltd was registered in 1999.

From the details of the email, it seems that you are a sole proprietor trading under the name Techsolution. We are concerned about further confusion and would therefore advise that you should consider using a different name. We are prepared to allow you a period of 60 days to do so, after which we will give instructions to our attorneys to pursue legal action should you not have complied.

- e) No response was received. However, the Complainant decided to "postpone" legal action at the time, due to two reasons:-

- i) Firstly, the costs involved;
 - ii) Secondly, it “looked at the website of the Registrant” and found that the company was selling projectors and projection equipment, which were not directly in conflict with solutions it provided.
- f) The Complainant took no further action until Wednesday 22nd December 2010, when a trade enquiry was sent by one Kevin Bradfield, per email, to “sales@techsolutions.co.za”. It stated:-

“Hi Tech Solutions

I have a timing business – refer www.eventstiming.co.za

I am looking to integrate electronic tagging of participants and recording of finish times based on the RFID1 tag crossing the line.

Have you an existing solution or can you assist me advising on using some of your technology for this purpose.”

- g) Then followed a brief exchange of correspondence interrupted by Christmas and New Year. On 6th January 2011, Kevin emailed again, stating:-1

“Hi,

I see I made contact with a local person Greg Adler earlier in the week. I see he has an email with your company as well. My understanding then he would be representing you but technology in at your office? Thus this means I still need to come up your way.”

- h) To this Mr Koker replied:-

“Kevin I do not know Greg Adler.

Techsolutions is the Southern African leader in solutions for asset tracking. Our clients include entities such as Portnet, BHP Billiton, ACSA, DTI, IDC, NPA, Bakwena Toll Concessions, Namibia Polytechnic and Botswana Bureau of Standards. Techsolutions is a member of the SABS steering committee on auto identification (RFID

& bar coding) and Techsolutions facilitated the establishment of EPCglobal South Africa. We also work with leading local universities, including TUT, UP and NWU.”

eliciting the following response from Kevin:-

“Hi on looking again, I see the email address is slightly different, you have an s at the end.”

- i) Consequent upon this, on 25th January 2011, attorneys DM Kisch Inc. addressed a demand on behalf of the Complainant to “Nadine Barnard t/a Projection SA”, calling for the cessation of use of the mark TECHSOLUTION, and the transfer of the domain name <techsolution.co.za> to the Complainant. The record does not show the nature of the response, but on 2nd February 2011 Mr De Koker emailed Nadine Barnard (at nadine@projectionsa.co.za) stating:-

“Our claim is that the RFID side of Projection SA is receiving unfair benefit from clients misspelling the name Techsolutions. We have consulted our attorneys who confirm that we have the full right, as referenced in similar cases, in such a case to require the transfer of the www.techsolution.co.za to us.”

- j) On 4th February 2011 Mr Greg Adler replied stating:-

“I understand your concern regarding the technology mix between our two companies. I have decided to close the www.techsolution.co.za site and direct all my traffic to another website we own. I cannot however, simply hand over www.techsolution.co.za to you as we own this domain and have invested a lot of money in it. I also run backend data bases and applications from this site as well. These are not made public in any way.”

1 This is acronymic for “radio frequency identification”.

2 sic; the quotation is verbatim.

- k) This elicited the following response from Mr De Koker on 7th February 2011:-

“The traffic to www.techsolution.co.za was closed on Friday, but this morning the traffic is automatically redirected to www.projectionsa.co.za. It therefore appears that www.projectionsa.co.za is www.techsolution.co.za which is in contravention of our instruction. As we have indicated we are legally entitled to the name www.techsolution.co.za since it is our name spelled in the singular. Your actions therefore leave us no choice but to proceed with legal action against the current Registrant, Nadine Barnard/Adler. Further, should Nadine sell/transfer this domain name she would be charged for fraud, since she would be selling/transferring a domain name to which she does not have right of ownership. We would cease legal prosecution only when the domain www.techsolutions.co.za1 has been transferred to us, its legal owners.”

- l) To this, Mr Adler replied as follows:-

“Apologies for the redirection, my IT guys did it without my knowledge. Again we will not be transferring ownership of this site to anyone, as we legally own it, and have invested money in it.

You might want to see these sites as well:-

www.techsolutions.com;

www.techlsolutions.net

and

www.techsolution.com.”

- m) The next event was the lodging of this dispute with the South African Institute of Intellectual Property Law (the “SAIPL”) on 11 March 2011. On 29 March 2011, the SAIPL emailed a request to UniForum SA for the registry to suspend the domain name at issue, and on 4 April 2011 UniForum SA confirmed that the domain name had been suspended.
- n) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 4 April 2011. Consequently, the due date for the Registrant’s Response was 9 May 2011. However, the Registrant emailed SAIPL on 4 April 2011, stating that they were “not interested in fighting the dispute” and that the “website has since been made inactive for over 2 months”.
- o) On 4 April 2011, the SAIPL issued the regulated notification of a possible settlement of dispute. The purpose of this is to call for a signed settlement agreement, failing which SAIPL would advance the complaint and appoint an Adjudicator. Mr de Koker replied on 5 April 2011 recording that “we are not interested in any settlement” and the only outcome it will accept is “a transfer of the domain techsolution.co.za to its rightful owner”.
- p) On 11 April 2011 Mr Adler recorded, in an email to the SAIPL and to the Complainant, that “I have cancelled our service with the domain techsolution.co.za. Eon you need to contact Paradigm Solutions¹ directly to have the domain name transferred to you.”
- q) However, Paradigm Solutions refused to ‘release’ the domain to the Complainant as there remained a pending balance outstanding against the domain’s account, which it required first to be settled. This notification was sent by email on 11 April 2011 to all concerned. Within a few hours Mr Adler replied, recording that “I will have this resolved tomorrow and advise asap.”

⁴ i.e. the host.

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- r) By 3 May 2011, the account at Paradigm Solutions had not been settled. The SAIPL set 6 May 2011 as a new deadline for submission of a settlement agreement; nothing further transpired.
 - s) Accordingly, the SAIPL appointed Adv Owen Salmon as the Adjudicator in this matter on 16 May 2011. 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 Prefatory Observations

- a) A few features of this dispute warrant mention. At the outset, the Adjudicator records his decision that the domain name is abusive; and, that it is to be transferred to the Complainant.
- b) The Adjudicator has come to this decision not without some difficulty, coupled with not insignificant (although insufficient) doubt as to whether the Complainant has discharged its onus; it has, but by a narrow margin.
- c) The Registrant has recorded her willingness to transfer the domain to the Complainant. This does not mean, of course, that the domain is abusive (which is the jurisprudential foundation for an order of transfer) just that an appeal is probably pre-empted.¹ So, that is not the basis of the decision. The balance of probabilities indicate that the domain was registered and/or used in a manner which takes unfair advantage of or is unfairly detrimental to the Complainant's rights. This means it is an abusive registration within the meaning of the definition in Regulation 1.

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See *Hlatshwayo v Mare and Deas* 1912 AD 242 at 253, for example.

- d) One aspect which has complicated the assessment is the Adjudicator's view that, prima facie, there ought to be no conflict between the domains <techsolution.co.za> and <techsolutions.co.za>. However, the present ADR procedure is not the forum for adjudicating disputes about trade mark rights¹ (or passing off) and so the contention that the Complainant 'owns' the name in question need not be decided; prima facie, rather, there is much to be said for the fact that one character in a URL address makes all the difference. Coupled with the prima facie non-distinctiveness of the mark "Techsolutions"² there is no compelling reason to conclude an obvious abuse, or unfairness, in the domain registration for Techsolution.
- e) The difference lies in the facts, and a survey thereof now follows. There being no answer to the evidence put up in the Complaint, the Adjudicator accepts it as undisputed for present purposes. To a not insignificant extent, some extrapolation from what has been put up in the Complaint and supposition, has also been necessary.

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See ZA2009-0030 <seido.co.za> (Appeal Panel decision) at paragraphs 5.12 and 5.13.

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According to Mr de Koker (and not surprisingly) it derives from the two words "technology"

and “solutions”.

3 Factual Background

- a) The Complainant was incorporated and registered in 1999 and has established itself as leader in the field of asset tracking solutions using RFID and GPS technologies. Its client base includes leading local companies, government, and international clients.
- b) These “tracking solutions” utilise technology such as bar code, passive RFID (low frequency, high frequency and ultra high frequency), active RFID, RTLS (real time location systems) and GPS. RFID tags, readers, scanners and printers from leading international vendors are integrated into the Complainant’s asset tracking solutions. It carries a substantial range of bar code and RFID tags suitable for tagging assets made from various materials, including metal, plastic, glass and wood.
- c) These tracking solutions have a variety of applications. They are used for laptop computers, IT assets, and returnable supply chain assets such as pallets, crates, bins and containers. The Complainant, for example, encoded the first EPC (Electronic Product Code) RFID tagging in South Africa and supplied more than 16 000 pallet tags to a client who started a new pallet pool. (The tag allows the pallet to be read while loaded on a truck and moving through a gate.) The solution tracks pallets’ movement in real time. The Complainant’s iConductor solution, for example, has been piloted for open cast coal mining and sugar cane industries - it allows real time measurement of haulage tons by tracking all haulage equipment. These RFID tags are also popular in the mining and petrochemical industries where dusty and dirty conditions make bar codes difficult to read.
- d) Similarly, the solutions have been expanded to include shipping container tracking, library book tracking, access control and weighbridge automation, including where RFID tagged vehicles are identified while travelling at

speeds in excess of 120 kmph. ACSA (Airports Company of South Africa) has also employed the Complainant's technology products for asset tracking solutions.

- e) These tracking solutions are hardware and software denominated involving a variety of hand-held and mounted bar code or RFID readers, and scanners, smart bar code labels and RFID labels, internet sourced data bases and radio, GSM or fixed line communications.
- f) Now, reference to the site www.projectionsa.co.za reveals that it, too, claims to be a RFID specialist. The home page "welcome", for example, reads:-

"We at Projection SA have a combined RFID experience and knowledge base of more than 30 years. The company is engaged in an intensive skill growth and development strategy to ramp up its RFID offerings with all partners and convert its substantial resource bases to quantify sustainable RFID applications. We maintain a strong partner relationship with all RFID manufacturers globally. This alliance affords us the opportunity to custom design tags, readers, and applications for our clients. We have successful application deployments with the following companies:-

Lonmin, Vodacom, KWV, Harmony, Kumba Iron Ore, Toyota, Toyota Boshoku, Exxaro, Assmang, Swazi Sugar Association, Anglo Platinum, Standard Bank, Aunde Group & Unilever."

- g) As will have been seen from what is set out above, the domain name in question was registered in 2007. This is some 7 years after the commencement of business by the Complainant – in the same field. When the Complainant became aware of the Registrant, Mr de Koker's review of the site at www.techsolution.co.za revealed that the company was selling projectors and projection equipment; prima facie, it would be reasonable to assume, of course, that the name Projection SA relates to such an enterprise.

- h) However, in January 2011 a further review of the site at www.techsolution.co.za revealed a legend incorporated on its home page: “Interested in RFID technology ... visit our sister company Projection SA for more information”.
- i) A link to www.projectionsa.co.za directs the user to a site for “Projection SA”. Here, a menu reveals a wide variety of products, including audio visual products, cables and accessories, IT and computer products, mounting brackets, office equipment, but also RFID products and services. However, the displayed URL remains www.techsolution.co.za.
- j) Given what is set out in paragraph 3.6 this RFID based business has been in operation for a long time, indeed in all likelihood preceding the start-up of the Complainant in 2000.

4 The Complainant's Contentions

- a) The Complainant contends that the action of the Registrant is directly aimed at benefiting through unfair advantage from the misspelling of www.techsolutions.co.za where the user enters the singular form rather than the plural form.
- b) Further, that the action of the Registrant is also confusing to the clients of the Complainant; and this is of great concern as it could negatively impact on the reputation of the Complainant.
- c) In the circumstances the Complainant contends that the use to which the name has been put is abusive.

5 Discussion and Findings

- a) The Adjudicator finds that the Complaint has rights in respect of the mark TECHSOLUTIONS as contemplated by Regulation 3(1)(a). This is similar to the name of the domain in issue. The question is whether the registration in

the hands of the Registrant is an abusive registration.

- b) An abusive registration means a domain name which either:-
 - i) 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
 - ii) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.
- c) The Complainant is required to prove on a balance of probabilities that the required elements are present.
- d) In terms of Regulation 4(1)(a), factors which may indicate that the domain name is an abusive registration include circumstances indicating that the registration was primarily to:-
 - i) transfer the domain name to a complainant for valuable consideration in excess of the Registrant's reasonable out-of-pocket expenses directly associated with acquiring the domain name;
 - ii) block intentionally the registration of a name or mark in which the Complainant has rights;
 - iii) disrupt unfairly the business of a Complainant;
 - iv) prevent the Complainant from exercising its rights.

- e) The Adjudicator reasons that the facts show the following likelihood: that both parties compete in the RFID tracking solutions market place; that the Complainant commenced trading in 2000 as “Techsolutions”, and with its website www.techsolution.co.za; that the “Adler” enterprise was not called Techsolution at the time – probably, rather, it was called “Projection SA”; only some years later, in 2007, it registered the domain in question; but, that trading in RFID tracking solutions remained the business of Projection SA; and that the domain techsolution.co.za was used as bait, hence the link to the Projection SA home page.
- f) It is tempting to draw the inference that this was intentional. No rational explanation readily occurs as to why the name “techsolution” implies or connotes RFID tracking products and services that would make it (innocently) a name of choice, less so a search-engine denominated indice for a business called Projection SA.
- g) These inferences (coupled with the absence of a response from the Registrant) lead the Adjudicator to conclude that the Complainant’s contentions have merit.
- h) The probabilities are that the registration was abusive, and it remains so. Accordingly, the Adjudicator upholds the Complainant’s Dispute.

6 Decision

- 6.1 For the foregoing reasons the Adjudicator orders that the domain name be transferred to the Complainant.

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ADV OWEN SALMON
SAIPL SENIOR ADJUDICATOR

