

Decision

[ZA2022-0464]

.ZA ALTERNATE DISPUTE RESOLUTION REGULATIONS

(GG29405)

ADJUDICATOR DECISION

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| CASE NUMBER: | ZA2022-0464 |
| DECISION DATE: | 2 MARCH 2023 |
| DOMAIN NAME | TECHNOPARK.CO.ZA TEGNOPARK.CO.ZA |
| THE DOMAIN NAME REGISTRANT: | STORM VAN DER MERWE |
| REGISTRANT'S LEGAL COUNSEL: | NONE |
| THE COMPLAINANT: | STELLENBOSCH MUNICIPALITY |
| COMPLAINANT'S LEGAL COUNSEL: | FAIRBRIDGES WERTHEIM BECKER |
| 2 nd LEVEL ADMINISTRATOR: | ZA REGISTRY CONSORTIUM (ZARC) |

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1. Procedural History

- a) This Dispute was filed with the South African Institute of Intellectual Property Law (“SAIPL”) on **7 November 2022**. On that day SAIPL emailed a request to ZA Registry Consortium (ZARC) to suspend the domain name in issue, and ZARC confirmed that the domain name had been suspended. 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 **7 November 2022**. The Registrant submitted a formal response on **5 December 2022**, and the Complainant replied to the response on **21 December 2022**.
- c) SAIPL appointed **Adv Owen Salmon SC** as the Adjudicator on **27 January 2023** and he has been assisted by **Adv Gugulethu Zonke** in the capacity as Trainee Adjudicator. Both have submitted the respective Statement of Acceptance and Declaration of Impartiality and Independence, as required by SAIPL to ensure compliance with the Regulations and Supplementary Procedure.

2. The Facts

- 2.1 The following facts are not in dispute.
- 2.2 Just outside the town of Stellenbosch there is a business park known as Techno Park. In broad terms, it is not that dissimilar in nature and concept from the Highveld Techno Park in Centurion, Gauteng although from a cursory look neither are as populated as the Technopark in Trivandrum, India, which claims to be the most lively IT campus on the sub-continent, hosting 470 IT companies employing over 70 000 IT professionals. This business park can be accessed at www.technopark.org.
- 2.3 The Stellenbosch Techno Park was established by the Complainant in 1986. It is a municipality funded project and was the first science park in South Africa. In 1987 the Municipality secured registration, in terms of the Trade Marks Act, of the mark

TECHNO PARK covering a variety of services. The Afrikaans equivalent, TEGNOPARK, is protected by the same registrations. In 1988, the Complainant secured registration of a special script form of the mark TECHNOPARK, in respect of the same services, as well as that mark combined with a logo of sorts. Nothing turns on these additional entries in the Trade Marks Register.

- 2.4 The domain technopark.co.za and the domain tegnopark.co.za were registered by Mr Eugene van der Merwe, the brother of the current Registrant, in 2000. Nothing turns on the transfer of the domains to Mr Storm van der Merwe, and to keep things simple this adjudication will (unless a distinction is necessary) refer merely to the Registrant, incorporating in the process reference to the Registrant's predecessor-in-title.
- 2.5 These domain names are identical to the marks in which the Complainant has proved its registered trade marks. The Registrant is a Stellenbosch resident.
- 2.6 In 2013 the Complainant registered the domain technopark.org.za. In 2015 it entered into some form of arrangement with a Non-Profit Organisation called The Techno Park Special Ratings Area - the "SRA" to maintain the image and reputation of the Technopark in Stellenbosch. The Complainant terms this a 'tacit licence'. Nothing turns on the absence of a written agreement nor on the lack of any registered user recordal, though jurisprudence does inform us that trade mark licences, proper, are not so easily 'tacit' - at least, not without more.
- 2.7 In any event, it is not irrelevant - as we shall see - that, since then, the SRA has acted as the 'custodian' of the Stellenbosch Technopark as a business park and its brand and image in the public. This is in accordance with its objective, and the Technopark at Stellenbosch is well known to a substantial number of persons interested in the technology sector in and around South Africa.
- 2.8 The functionality and content of the Registrant's website(s) has been the sale of advertising space, to provide information about rental space, an A-Z listing of resident businesses, an office building directory, and other pages such as "History". This is all to do with the Techno Park at Stellenbosch. The Registrant spent a great deal of time, effort and resources to build the portal so as to accommodate the

community of the Techno Park at Stellenbosch and those who might be interested in it. The sale of advertising space on the website only commenced in 2011.

- 2.9 In this process, he was assisted by Mr Alan Manning, a director of SRA, who provided most of the informational text for the Registrant's website (to be found at the domains) about the Techno Park, its history, the location, and the information about the office space rental. Indeed, according to the *Complainant*, Mr Manning approached Mr Van der Merwe and paid him a sum of money to build the website for the benefit of the Techno Park community and provided the historical information.
- 2.10 Further, according to the Complainant, Mr Manning did all this on the basis that the website would be used for the good of the Techno Park community and managed as such, kept up to date, and not cause damage to the Techno Park brand. (There is no evidence that these conditions were agreed between the parties.)
- 2.11 Several directors of SRA (or their businesses, resident in the Techno Park) were, from as early as 2011, advertisers on the Registrant's website.
- 2.12 In April 2016, Mr Jacques Pietersen, then a director of SRA – and one such advertiser, contacted the Registrant with the request that a page on the website regarding the 'Techno Park Owners Association' be removed, as it was apparently a dormant institution, along with any references to SRA. No mention was made of any registered trade mark rights, nor that the domain was being used in any abusive manner, nor – as Mr Van der Merwe puts it – that the domain was infringing on copyright. The request was complied with on the same day.
- 2.13 As at the time of the complaint, the website portrayed out of date information concerning the Techno Park at Stellenbosch. It displayed an outdated logo, news articles and advertisements that were last updated in 2012, as well as listing businesses that are no longer situated and located in the Techno Park, and hyperlinks that are outdated and broken.
- 2.14 According to Mr Van der Merwe, a third version of the website is currently under development, with an estimated over 200 hours of developmental work so far on this process. The focus of this renewed site is one where businesses can easily

maintain their own profiles and content, as well as ensure that the info is kept up to date.

- 2.15 Subsequent to receipt of the Complaint, the Registrant removed the special script form of the Complainant's mark from the website, and also posted an endorsement on the homepage to the effect that:

"This website is not associated with the TechstelSRA or Stellenbosch University. Go to www.technopark.org.za to visit their site."

3. Complainant's Contentions

- 3.1 The following is a summary of the Complainant's contentions.
- 3.2 The names in dispute are identical to the marks which are registered in its name as trade marks. This is so, and it is not necessary to dwell on this aspect any further.
- 3.3 In the Complaint, it is alleged that the examples (referred to above) demonstrating that the website is not properly managed *"create issues for the legitimacy of the Techno park brand and creates a bad user experience for anyone looking to situate themselves in the business park, do business with SRA and for those already in Techno Park who seek to advertise their services in the business park."*
- 3.4 Further, that the information is outdated and incorrect hugely contributes to the damage being caused to the reputation of the Complainant and the Techno Park.
- 3.5 Further, the Registrant's website fails to provide the minimum set of information required in terms of Chapter VII of the Electronic Communications and Transactions Act which requires a supplier of services to, at least, provide its name, contact details and a brief description of its business, of which there is none on the Registrant's website.
- 3.6 It seems apparent, so the Complaint continues, that the intention behind the registration of the Registrants websites (sic) was to take unfair advantage of the reputation of and be unfairly detrimental to the Complainant's Techno Park and to utilize such reputation for his own benefit and gain. The fact that the Registrant failed to respond to a demand to remove the websites illustrates that the

Registrant's intention is to act in bad faith. (This demand is not annexed to the Complaint.)

3.7 The registration of the domains was *"clearly aimed at fraudulently deriving a commercial income ... at the expense of the Complainant's reputation and name"* and such conduct is *"fraudulently misrepresenting that the Registrant's website is that of the Complainant's or at the very least is associated therewith..."*

3.8 The domain names are abusive within the meaning of the Regulations in light of the fact that they appear to have been registered primarily (sic):

- To disrupt the business of the Complainant's Techno Park;
- To use the names in a manner that leads people or businesses to believe that the names are registered/operated/authorised by the Complainant or otherwise connected with the Complainant and is therefore misleading and creates confusion;
- To be unfairly detrimental to the Complainant's rights and take unfair advantage of the Complainant's Techno Park reputation.

3.9 Furthermore, the Registrant's website is creating damage and dilution to the Complainant's Techno Park brand and reputation by being unmaintained and badly outdated.

3.10 In its Reply, the Complainant alleges that the Registrant's *"failure to correctly manage the website is causing damage to the Techno Park brand"*, and that *"it seems clear that the Disputed Domain Names are abusive registrations and that the Registrant is not managing them in the best interests of the Techno Park community..."*

4. Registrant's contentions

4.1 The following is a summary of the Registrant's contentions relating to the Complainant's allegations addressing abusiveness as summarised above.

4.2 At the time of registering the domains, the Registrant was not aware of the existence of the Complainant's trade mark registrations.

- 4.3 Despite the use of the names for many years, no objections to such use were received. He has spent over R20 000 in hosting fees, and maintenance, as well as countless hours in support and administration. The websites (through two variations since inception in 2000) have cost over R140 000 plus around 240 hours in development.
- 4.4 The use of the domain names should therefore be seen as honest concurrent use.
- 4.5 The website was the primary source of information about the Techno Park at Stellenbosch for more than ten years, until the Complainant launched its website at the domain www.technopark.org.za.
- 4.6 It is denied that his intentions were in bad faith, and that the domains are abusive as alleged.

5. Discussion and Findings

- 5.1 In terms of Section 1 of the Regulations, an abusive registration means a domain name which either –
- 5.1.1 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
- 5.1.2 Has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.
- 5.2 An indication is given in the Regulations as to what could be considered an abusive registration. In terms of Section 4(1), such factors include:-
- “a) Circumstances indicating that the registrant has registered or otherwise acquired the domain name primarily to –
- i) Sell, rent or otherwise transfer the domain name to a complainant or to a competitor of the complainant, or any third party, for valuable consideration in excess of the registrant's reasonable out-of-pocket expenses directly associated with acquiring or using 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 the complainant; or
 - iv) Prevent the complainant from exercising his, her or its rights;
- b) Circumstances indicating that the registrant is using, or has registered, the domain name in a way that leads people or businesses to believe that the domain name is registered to, operated or authorised by, or otherwise connected with the complainant;
- c) evidence, in combination with other circumstances indicating that the domain name in dispute is an abusive registration, that the registrant is engaged in a pattern of making abusive registrations;
- d) false or incomplete contact details provided by the registrant in the Whois database; or
- e) the circumstances 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.”

5.3 An indication is also given as to what would not be an abusive registration. In terms of Section 5, factors which may indicate this include:-

- “a) before being aware of the complainant’s cause for complaint, the registrant has -
- i) used or made demonstrable preparations to use the domain name in connection with a good faith offering of goods or services;
 - ii) been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name; or
 - iii) made legitimate non-commercial or fair use of the domain name;
- b) the domain name is used generically or in a descriptive manner and the registrant is making fair use of it;

c) that the registrant has demonstrated fair use, which use may include websites operated solely in tribute to or fair criticism of a person or business: Provided that the burden of proof shifts to the registrant to show that the domain name is not an abusive registration if the domain name (not including the first and second level suffixes) is identical to the mark in which the complainant asserts rights, without any addition”

5.4 In terms of Section 9, one of two outcomes is possible in the case of a complaint that the domain is an abusive registration: refusal of the dispute, or transfer of the disputed name.

5.5 To succeed in this complaint the Complainant has to prove,¹ on a balance of probabilities, the following:-

- It has rights in respect of a name or mark which is identical or similar to the domain name; and
- The domain name, in the hands of the Respondent, is an abusive registration as defined.

5.6 I have recorded that the domain names in issue are identical to the marks in which the Complainant asserts it has rights. The next question is whether the Complainant actually has ‘rights’ in the marks TECHNOPARK and TEGNOPARK. Clearly it does, if only by virtue of the trade mark registrations.

5.7 The question therefore to be decided is whether the domain names:

- were registered or otherwise acquired in a manner which took unfair advantage of or was unfairly detrimental to the Complainant’s rights; or
- have been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant’s rights.

5.8 There are two potential abuses:-

- registration with abusive intent; and
- abusive use,

¹ Section 3(1)(a) of the Regulations.

and the nature of “abusiveness” as contemplated by the Regulations does not require a positive intention to abuse the Complainant’s rights, but that abuse was the effect of the use or registration. Moreover, as has been established by previous adjudications, the abuse can succeed the registration or acquisition.

- 5.9 To facilitate the discussion, it is pointed out that neither parties’ evidence nor allegations deal with the difference (if any) between the domains <technopark.co.za> and <tegnopark.co.za>. It appears that both assume that the fate in respect of <technopark.co.za> will befall <tegnopark.co.za> and, indeed, if the latter were used it would reference the Techno Park. Conversely, a favourable outcome for one party on only one domain would seem pointless. As F. Grosskopf JA stated in the well-known McDonalds case, in which the American food giant had established its right to an interdict based on the provisions of section 35 of the Trade Marks Act 1993, because the mark was well-known, so that decision about expungement of its marks and determinations on conventional infringement became redundant, it had to be a winner-take-all outcome.²
- 5.10 An important (and, probably, determinative) feature of this dispute is the following. The names, *per se*, are not objectionable to Stellenbosch Municipality. Indeed, the agent it has tasked with custody of its brand and reputation, SRA even paid the Registrant for the early development of his website. So, at least, it acquiesced in the names. The Complainant’s problem, however, is that Mr Van der Merwe is not keeping the website in the condition that it would like to see.
- 5.11 Put differently, does a domain name whose registration and use is acceptable to a party (which owns registered trade mark rights in the identical marks) become abusive within the meaning of the Regulations because that party does not approve of the manner in which it is used?
- 5.12 No agreement has been shown to exist between the parties governing Mr Van der Merwe’s operation of the website. Therefore, to the extent that the Complainant’s trade marks are involved, there is no ‘licence’ to speak of other than (probably, at best) a naked one without any strings attached. What this means for the sanctity

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McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Another 1997 (1) SA 1 (A) at 31 G.

of the Complainant's trade mark rights is not necessary to decide – an aspect which segues into the next (aligned; determinative) point.

- 5.13 It was recorded in the Appeal decision in Seido ZA2009-0030 dated 2 December 2009 (if not there a repeat of established principle) that domain name disputes are not the arena, and nor is this the forum, for delving into issues such as the validity of trade mark registrations, and questions of proprietorship of both registered and common law rights. In the same way, these proceedings (in my view) ought not to become the forum for an adjudication on the point at which the use of a domain name – particularly, in circumstances from which there is absent an agreement with clear and unequivocal terms, setting clear and unequivocal boundaries – becomes abusive within the meaning of the Regulations, merely because a threshold of unilaterally perceived acceptability has been allegedly 'breached'.
- 5.14 This view is underscored by the fact that the Complainant - on its own version – actively supported the Registrant's operation of the websites, without demur and with the full knowledge of its registered trade mark rights. Whether this amounts to acquiescence, an outright waiver, or estoppel of some sorts postulates examination and ventilation, and these are clearly not the proceedings for that.
- 5.15 Given these features of the matter, the decision I have come to is that a finding cannot be made that the names are abusive within the meaning of the regulations. In consequence, the dispute must be declined, which will be the order given.
- 5.16 Notwithstanding the above decision, I record that I would have rejected the dispute, anyway. Clearly, the Regulations place an onus on the Registrant to establish that the names are not abusive;³ but it is the Complainant which accepts that the names were not abusive *ab initio*; and that it is only the use to which the names were subsequently put which morphed at some indeterminate stage from being not abusive to allegedly being abusive.
- 5.17 The difficulty is that the Complainant's allegations are not supported by any facts. It complains of abuse arising from 'fraudulent' conduct, and from diluting the fame and reputation of its brand, and so on. But, as was noted by Melunsky AJA in Face

³ Whether this placing of the onus would survive Constitutional scrutiny need not now be considered.

Fashions – a principle underscored by Moseneke J in Laugh it Off Promotions⁴ - the likelihood of detriment (postulated by the provision protecting against dilution) must be established in the light of established facts and not bald allegations; so that mere recitation of the statutory provision, a statement of law and nothing else, does not help.⁵

5.18 Why does the fact that the Registrant’s domain have outdated information cause detriment to the brand TECHNO PARK – as opposed to causing the visitor to consider that the website is not that helpful, or outdated, or whatever? This is not a finding to say that such is not the case; it is a finding that the Complainant has presented no evidence as to why it is the case. The Complainant has its own website – www.technopark.org.za - the Registrant points out, at which the sale of advertising space takes place, it provides information about rental space, there is an A-Z listing of resident businesses, an office building directory, and other pages such as “History”. How the Complainant’s offering, or its ability to attract business to that website, is (a) affected (b) in a manner that is unfair, is not explained by the Complainant and nor is it justified with facts.

6. Decision

6.1 In the circumstances, my finding is that the complaint must be rejected.

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ADV OWEN SALMON

SAIPL SENIOR ADJUDICATOR

www.DomainDisputes.co.za

⁴ Laugh It Off Promotions CC v SAB International (Finance) BV t/a SabMark International (Freedom of Expression Institute as Amicus Curiae) 2006 (1) SA 144 (CC) at [54].

⁵ Bata Ltd v Face Fashions CC and Another 2001 (1) SA 844 (SCA) at [15].

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ADV GUGULETHU ZONKE
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