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# Domain name disputes – a discussion of SAIPL adjudicated disputes

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In light of the recent dispute of the well-publicised case of *African National Congress v Unwembi Communications* (ZA2018-0350, 31-1-2019), it has become abundantly clear that the alternate dispute resolution (ADR) in the domain name dispute platform is not being used efficiently

enough to protect the rights of trade mark owners, due to the lack of knowledge by their legal representatives and themselves on how to prepare and argue domain name disputes.

The frustration that the African National Congress (ANC) has been experiencing before the domain name adjudicator in recovering its domain name – due to insufficient evidence – is a predicament no *bona fide* owner of a trade mark or anyone with a right in a domain name should have to bear (see *Mxit Lifestyle (Pty) Ltd v Andre Steyn* (ZA2008-0020, 30-9-2008)). A discussion on some cases where complaints were lodged with .ZADNA, the domain name authority for the .za namespace in South Africa (SA) follows below.

## Online ADR in SA

In A van der Merwe and S Snail 'A Brief Excursus on the South African Online Alternative Dispute Resolution' 2008 (2) *Journal of Information, Law & Technology* (<https://warwick.ac.uk> ([https://warwick.ac.uk/fac/soc/law/elj/jilt/2008\\_2/merweandsnail/merweandsnail.pdf](https://warwick.ac.uk/fac/soc/law/elj/jilt/2008_2/merweandsnail/merweandsnail.pdf)),

accessed 6-3-2019), different types of infringements of commonly known trade marks, as well as trading names in the co.za space, since the Electronic Communications and Transactions Act 25 of 2002 (the ECT Act) came into effect were examined.

One of the problems identified therein, was that High Court litigation on domain name disputes is expensive and often results in a cost order, in the event of a negative finding against the plaintiff. In discussing the grounds for filing a dispute, reg 3 of the ECT Act, requires that –

- complainants have to prove a balance of probabilities that they have rights in respect of a name or mark;
- the name or mark is identical or similar to the domain name; and
- the domain name in the hands of the registrant is an abusive registration.

Van der Merwe and Snail (*op cit*) go on to list the types of complaints, which can be seen as ‘abusive registrations’ and ‘offensive registrations’ in terms of reg 4 of the ECT Act. These complaints, include when a –

- person registers another person’s name for financial gain;
- registrant passes off his own business as being associated with that of the complainant;
- person registers another’s name to unfairly disrupt the business of the complainant;
- person registers another’s name to unfairly prevent them from exercising their rights in the name; and
- person registers a series of intentionally incorrectly spelled names with the aim of generating internet traffic (typo-squatting).

According to Van der Merwe and Snail (*op cit*), there are two known remedies provided by the ADR process, namely, the refusal of a dispute, or the transfer of the domain name to the complainant.

In the disputes discussed below the outcome was the former, which illustrates the purpose of this article.

Van der Merwe and Snail (*op cit*) also discuss other remedies available to the parties in domain name disputes, including –

- the appointment of three adjudicators forming an Appeal Board;
- the usual route of civil litigation in a court of law; and
- an action in terms of unlawful competition, and any other common law grounds.

### Domain name disputes

- *Allstates Global Karate Do, Inc d/b/a World Seido Karate Organization v Said's Karate (Suliman Said) (AP2009-0030, 2-12-2009)*

In this dispute, a complaint was lodged with the South African Institute of Intellectual Property Law (SAIIPL) by Allstates Global Karate against one Mr Suliman Said for the latter's use of the [www.seido.co.za](http://www.seido.co.za) domain name. Allstates had registered the [www.seido.com](http://www.seido.com) (<https://domaindisputes.co.za/downloads/cases/ZA2009-0030/ZA2009-0030.pdf>) domain name during the course of 1996, whereas Mr Said's .za domain name was registered five years later.

It was common cause that a relationship in the form of a licensing agreement between the parties had conferred rights on Mr Said to conduct karate courses, however, the adjudicator, in coming to the decision to refuse Allstates' dispute, made the following findings:

- Allstates did not hold an exclusive right on the trade mark SEIDO in SA and that registration of the domain name in the United States did not give Allstates rights protection under South African law.
  - The licensing agreement between the parties did not, in itself, create any rights for Allstates to be protected in terms of South African law.
  - There was no evidence that the SEIDO trade mark was registered at the time of the licensing agreement.
  - The only reputation of the name SEIDO happened as a result of this trade mark being registered by Mr Suliman in SA.
  - Allstates failed to prove – on a balance of probabilities – that it had a right in respect of a mark that is identical/similar to the domain name and that the domain name registration was not abusive.
- *Growthpoint Properties Ltd v Alex Modisane (ZA2015-0218, 8-1-2016)*

In this dispute, which was lodged with the SAIPL, Growthpoint Properties was the proprietor of a number of trade marks registered during the course of 2007 and in relation to a range of services, including valuation, insurance and advertising.

Growthpoint Properties submitted that the [www.Growthpoint.co.za](http://www.Growthpoint.co.za) (<https://domaindisputes.co.za/downloads/cases/ZA2015-00218/ZA2015-00218.pdf>) domain name registered by Mr Modisane was confusingly similar to its registered trade mark GROWTHPOINT and that Mr Modisane had registered the disputed domain name in relation to the same services as those of Growthpoint Properties. A distinguishing aspect of this dispute is that Growthpoint Properties admitted to having no proof that Mr Modisane was aware of its Growthpoint trade marks when he registered the domain name.

The adjudicator in making a decision to refuse the dispute, found that Growthpoint Properties had been unsuccessful in proving the elements constituting abusive registration in terms of regs 3, 4 and 5 of the ECT Act. It was also found that the services offered by the parties respectively were not identical or similar; and that there was no evidence to suggest that GROWTHPOINT is a well-known trade mark in SA.

- o *African National Congress v Umwembi Communications* (ZA 2018-0350, 31-1-2019)

This dispute involved three former government employees who formed a company (Umwembi) to provide information technology services to the ANC, which included domain name registration and renewal. The [www.anc.org.za](http://www.anc.org.za) (<https://www.domaindisputes.co.za/downloads/cases/ZA2018-00350/ZA2018-00350.pdf>) domain name was the subject of the dispute in an agreement between the ANC and Umwembi in which it was agreed that ownership of the domain name would remain with the latter, until such time as the ANC had settled amounts owed for services rendered in relation to the domain name.

The adjudicator found that no evidence was produced by the ANC to prove that it had instructed Umwembi to register the domain name on its behalf and, as result thereof, failed to establish its rights in the domain name. The adjudicator drew on *World Intellectual Property Organization* decisions, as well as reg 3 of the ECT Act to conclude that –

- the ANC had failed to prove its rights in terms thereof;
- the domain name in the hands of Umwembi constituted an offensive registration; and

– the ANC had at least reached the ‘fairly low’ threshold in proving similarity, and therefore, the dispute was refused.

## Conclusion

It is clear from the above, as well as other decisions of the SAIPL adjudicators that there is a serious lack of understanding in the area of domain names – not only among legal practitioners with some background in intellectual property law – but also risk and compliance officers, information and communications (ICT) companies, small, medium and micro-sized enterprises and other professionals in the ICT space.

The problems associated with cybersquatting or sour relationships and/or agreements between parties over the use of domain names can result in lengthy litigation and failed attempts at amicable solutions. In the same breath, it appears that –

- there is no in-depth knowledge of the various facets within intellectual property law relating to domain names such as understanding what a domain name is;
- understanding the processes in ADR;
- the rights one can have in a domain name;
- the interplay between trade marks and domain names;
- defences, appeals, and grounds for referral to a domain name authority or the refusal of a dispute; as well as
- other remedies available to complainants.

It is, therefore, recommended that awareness be raised by relevant stakeholders such as domain name authorities, the Department of Telecommunications and Postal Services and law faculties at various academic institutions in the country as the regulations contained in the ECT Act relating to ADR in domain names have the advantage of providing them with speedy solutions to domain name disputes.

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