

ADJUDICATOR DECISION

CASE NUMBER:	ZA2008-0022
DECISION DATE:	7 November 2008
DOMAIN NAME:	Samsungcartridge Samsungcartridges
THE DOMAIN NAME REGISTRANT:	Sean Elseworth
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	Samsung Electronics co. Ltd
COMPLAINANT'S LEGAL COUNSEL:	Bowman Gilfillan
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIIPL”) on 11 September 2008. On the same day the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain names at issue and on the same day 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. The SAIPL formally notified the Registrant of the commencement of the Dispute on 16 September 2008 and in accordance with the Regulations, the due date for the Registrant’s Response was 14 October 2008. The Registrant did not submit any response on or before the aforesaid due date and on 15 October 2008 the SAIPL notified the Complainant of the Registrant’s default.
- c. In light of the lack of response from the Registrant, it was unnecessary for the Complainant to file a reply and the matter was referred for adjudication.
- d. The SAIPL appointed Mr. Brian Wimpey as the Adjudicator in this matter on 17 October 2008. 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 present dispute relates to two domain names, samsungcartridge and samsungcartridges (the disputed names). The Complainant has lodged one complaint in respect of both disputed names and the Adjudicator will treat this as a consolidated dispute in terms of Regulation 24(4) as the facts and grounds are identical in both cases.

2) Factual Background

The Complainant’s factual submissions are set out below.

- a. The Complainant is Samsung Electronics Co., Ltd, a Korean Company, whose head office is situate at 416, Maetan-Dong, Yeangtong-gu, Suwan-si, Gyeonggi-do in the

republic of Korea. The Complainant is part of the Samsung Group of Companies, comprising the Complainant, itself allegedly the worlds largest electronics company, Samsung Engineering and Construction, a global construction company, and Samsung Heavy Industries, a major shipbuilding concern

- b. The Samsung Group is active in the Americas, Europe, Africa, the Middle East, Korea and China through a variety of associated companies and divisions, all under the umbrella of its primary brand SAMSUNG.
- c. The Claimant is the registered proprietor of various trade mark applications and registrations for the trade mark SAMSUNG in South Africa and owns common law rights in the name
- d. The Complainant is the proprietor of the domain names samsung.com and samsung.co.za and launched its website www.samsung.com in 1996.
- e. The Registrant registered the domain names *samsungcartridges.co.za* and *samsungcartridge.co.za* with UniForum SA on 30 April 2004 and 29 June 2005 respectively
- f. Although the evidence does not disclose the date on which the Complainant first became aware of the disputed names, it nonetheless reveals that the Complainant sent a cease and desist letter via its attorneys Bowman Gilfillan to the Registrant on 2 October 2007 alleging that the disputed names constituted, inter alia, abusive registrations in terms of the Regulations and calling for the transferral of those registrations to the Complainant.
- g. Presumably as a result of the letter in question, Mr Weertman of Bowman Gilfillan received a call on 22 October 2008 from a Mr Glenn Stein, acting on behalf of the Registrant, offering the information that the latter was selling SAMSUNG printer cartridges, but only in small numbers. Mr Stein also relayed the information that the relationship between the Registrant and Complainants local representative was “*not good*”, but that the former nonetheless sought to resolve the dispute if he could keep the disputed names.

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- h. On 6 November 2008, Mr. Weertman informed Mr Stein by email that the Complainant had not authorised any Internet based resellers of its products and that it was not prepared to authorise the Registrant to act as a reseller of the Complainant's goods. Once again, Mr Weertman demanded the transfer of the domain names in question
 - i. No other correspondence or further communication appears to have been entered into between the parties.
 - j. The Registrant has disputed none of the above facts or allegations.

3) Parties' Contentions

a. Complainant

The Complainant has made the following legal submissions:

- i. It owns statutory rights to SAMSUNG in South Africa by virtue of numerous trade mark applications and registrations listed in annexures B & C of its complaint.
- ii. It enjoys common law rights in the trade mark SAMSUNG and the trade mark is well known in South Africa.
- iii. It owns domain name rights in respect of its domain names Samsung.com and Samsung.co.za. Although the Complainant does not disclose when the two domain names were registered, it avers that its website www.samsung.com was launched in November 1996. It is a reasonable assumption that the registration of Samsung.com must have preceded the launch of the website.
- iv. The disputed names, *samsungcartridge* and *samsungcartridges*, are identical or similar to the Complainant's SAMSUNG trade mark in that the disputed names consist of the Complainant's trade mark SAMSUNG in combination with the wholly descriptive terms, cartridge and cartridges.

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- v. The disputed names are abusive registrations in terms of Regulation 3(1)(a) in the hands of the Registrant in that the registration or use thereof:
- a) Are intentionally blocking the registration of a name or mark in which the Complainant has rights;
 - b) Are unfairly disrupting the business of the Complainant;
 - c) Are preventing the Complainant from exercising its rights; and
 - d) Have lead people or businesses to believe that the disputed names are registered to, operated or authorised by, or otherwise connected, with the Complainant.

b. Registrant

Although the Registrant has not challenged any of the foregoing allegations, Regulation 3(2) nonetheless requires a Complainant to prove, on a balance of probabilities, that all the elements needed to prove an abusive registration are met and the Adjudicator is accordingly obliged to explore the matter in full

4) Discussion and Findings

Regulation 3(1)(a)

For the Complainant to succeed in this dispute, the Regulations require it to prove, on a balance of probabilities, that:

- a.) It has rights in respect of the name or trade mark SAMSUNG; and
- b.) The disputed names samsungcartridge and samsungcartridges are identical or similar to SAMSUNG; and
- c.) The disputed names are abusive registrations in the hands of the Registrant.

An abusive registration is defined in the Regulations to mean 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 Complainants rights.

a. Does the Complainant have rights in SAMSUNG

The Complainant has alleged that apart from its registered trade mark rights in SAMSUNG, it also enjoys common law rights therein by virtue of the reputation it has acquired in the name over the years. It also makes a brief reference to SAMSUNG being "well known".

Statutory rights

No documentary proof in support of the validity of the numerous trade mark registrations listed by the Complainant in annexures B & C of its evidence has been provided, apart from the registration certificate for trade mark registration 2000/19449 SAMSUNG in class 9. This lacuna in the Complainant's evidence is, however, not fatal to its claim to statutory rights, as those rights are adequately protected for the purposes of these proceedings by the above registration, which covers '*scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; parts, accessories, fittings and components for the foregoing*'.

This registration was filed 2 October 2000 and is prima facie valid

Since this registered trade mark predates the registration of the disputed names and covers the goods in respect of which those names are being used, the Adjudicator finds that the Complainant has relevant prior existing rights in the name SAMSUNG.

Common Law rights

Having found that the Complainant has satisfied the above requirement, it is strictly unnecessary for the Adjudicator to explore whether the Complainant also owns common law rights in the name, or whether it is well known.

In the overall interests of the proper administration of justice, however, the Adjudicator will consider the Complainant's submissions in the above regard.

That Complainant alleges that its common law rights in SAMSUNG derive from various factors, chief among them being the Samsung Group's position as the second largest conglomerate in the world and the Complainant's position as the world's largest electronics company. In further substantiation, it is submitted that in 2005, SAMSUNG overtook SONY as the world's leading consumer electronic brand and that a year later, the SAMSUNG brand was voted twentieth among the world's top hundred brands in an Interbrand "Best Global Brands" survey. The Complainant supplements these allegations by disclosing that the Group's website, www.samsung.com has received thousands of 'unique' monthly visitors, since its launch in 1996.

For all of the apparent weightiness of the above evidence, a careful scrutiny thereof reveals that the Complainant has not made a single allegation to the effect that SAMSUNG has acquired a commensurate reputation in South Africa either through business activities here or through spill over from its international reputation. The Adjudicator is of course not unaware of the marketing and sale of SAMSUNG branded consumer electronic goods in this country but the strict rules defining judicial cognisance prevent him from reaching the conclusion that the Complainant has established rights in SAMSUNG that are enforceable in common law. The Adjudicator is minded of the proverb "*For want of a nail...the Kingdom was lost*" but fortunately for the Complainant, this failure is not fatal to its case. The Adjudicator has similar

problems with the allegations that SAMSUNG is well known, but, again, in light of the Complainant's statutory rights, there is no need to make a determination hereof.

b. Is the name or mark identical or similar to the disputed names?

The Complainant has submitted that the words, *cartridge* and *cartridges*, which form 'suffixes' of the Registrant's domain names are wholly generic and do not therefore serve to distinguish.

In the Adjudicator's own view, the words *cartridge* and *cartridges* cannot have any meaning other than the ordinary one found in the South African Concise Oxford Dictionary, namely "*a container holding a quantity of ink*". Moreover, since the evidence supports the allegation that the Registrant deals in cartridges for SAMSUNG machines, the conclusion that the words are descriptive cannot reasonably be disputed.

Furthermore, not only does the word *cartridge* and its plural fail to distinguish the Registrant's domain names from the Complainant's registered trade mark, SAMSUNG, it is also not beyond the bounds of reasonableness to conclude the opposite, namely that the disputed names, in association with a website, will lead Internet users to believe that the latter is the Complainant's site.

The Complainant cites the foreign decisions in DRS00297 and D2002/0367 in support of its contentions. The latter case seems to be on all fours with this dispute, in that the panel held that "*the disputed domain name contains Complainants EXPERIAN trade mark in its entirety. The addition of the generic term "automotive", does not distinguish Respondent's domain name from the complainant's mark*".

Other foreign decisions of relevance are NAF/FA 141825, where it was held that a domain name composed of a trade mark coupled with a generic term is confusingly similar to the trade mark, WIPO/D2000-1598 in which *niketravel* and *nikesportstravel* were found to be similar to NIKE; DRS04601 in which *nikestore* was found to be similar to NIKE; and DRS01493 in which *nokia-ring-tones* was found to be similar to NOKIA. However, the Adjudicator has to look no further than the national decisions

of ZA 2007-0003, and ZA 2007-0004 , where the trade mark TELKOM was found to be identical or similar to telkommedia and telkombusiness respectively.

The above facts and precedents leave the Adjudicator in no doubt that SAMSUNG is for all intents and purposes, identical to the Registrant's domain names.

c. Are the disputed names abusive registrations in the hands of the Registrant?

The Complainant submits that the registration of *samsungcartridge* and *samsungcartridges* in the hands of the Registrant:

- i. Are intentionally blocking the registration of a name or mark in which the Complainant has rights; or
- ii. Are unfairly disrupting the business of the Complainant; or
- iii. Are preventing the complainant from exercising its rights; and
- iv. Have been registered or used in a way that leads people or businesses to believe that the domain names are registered to, operated or authorised by, or otherwise connected with the Complainant.

The above four factors are recognised in the Regulations as constituting circumstances which may indicate that a domain name is an abusive one, namely, one that takes unfair advantage of or is unfairly detrimental to the Complainant's rights.

The Complainant's submissions in this regard are primarily, if not solely, focused on whether the offending registrations have been registered, acquired or used in such a way as to lead people or businesses into believing that they are registered to, operated or authorized by, or otherwise connected with the Complainant.

In the circumstances, the Adjudicator deals with this ground first.

The Complainants averments are essentially that:

- The Registrant is offering SAMSUNG cartridges by means of a website associated with the disputed names.
- Internet users are not advised of the relationship between the Complainant and the Registrant.
- The Registrant is not an authorised reseller of the Complainant's products and is not bona fide
- The Registrant is not authorised to use the Complainant's registered trade mark.
- The Registrant's registration and use of the disputed names create the false impression that there is a commercial connection between the Complainant and the Registrant.

It is the uncontested evidence of the Complainant that the website associated with the disputed names offers the Complainant's branded products. On visiting the website, users are taken to a site prominently displaying the Complainant's trade mark, SAMSUNG, with the statements "Original Samsung Cartridges direct to the public" and "Visit Samsung South Africa". Users are then referred to 'Greytown Office Machines', presumably the actual retailer of the goods.

The website does not carry a disclaimer or endorsement to the effect that the Registrant is not connected in any way to the Complainant, and the latter has made it quite clear that offending website was constructed and maintained without authority.

Having found that the Complainant's trade mark and the disputed names are identical, and accepting that the Registrant was dealing in the Complainant's products without authority and any appropriate disclaimer, the Adjudicator would be hard pressed not to find that the offending registrations have been registered, acquired or used in such a way as to lead people or businesses into believing that they are registered to, operated or authorized by, or otherwise connected with the Complainant.

The incorporation of the whole of a registered trade mark into a competitor's mark has frequently been held to create a likelihood of deception, even in circumstances where it is combined with distinctive matter. See Webster & Page: The South African law of Trade Marks, 4th edition, at Para 7.12. In this regard, if the incorporation of a proprietor's trade mark into a competitor's mark is likely to deceive the public even when combined with other distinctive matter, how much more deception is likely to be caused when a distinctive mark is combined with descriptive material, as is the case here.

The Adjudicator is therefore satisfied that this ground, on its own, is sufficient for it to find, on a balance of probabilities, that the disputed names are abusive registrations

As remarked on previously in this adjudication, however, the Complainant has also relied on other indicators to prove that the disputed names are abusive registrations, averring that the registration of the disputed names are intentionally blocking the registration of the Complainant's rights and are unfairly disrupting the complainant's business and/or preventing the latter from exercising its rights.

The Complainant contends that it is "most likely" that the Registrant was fully aware of the former's trade mark when it registered the disputed names. The Adjudicator agrees with this submission since it is highly unlikely that the Registrant conceived of the disputed names independently of the Complainant's trade mark. It is therefore simple to conclude that the Registrant was not acting in a bona fide manner when it registered the disputed names. Moreover, it is trite trade mark law that a person cannot claim to be the proprietor of a mark where he is aware that another person has a better claim to ownership (See W&P Para 3.52).

Having said all of the above, however, there are no substantive averments by the Complainant that the Registrant, despite its lack of bona fides, registered the disputed names with the express intention of blocking the Complainant from registering its own rights.

The other two allegations are equally sparse in their supporting evidence but the Complainant can take comfort in certain assumptions that are liable to be inferred

from the facts. Various foreign decisions (see for example WIPO/D2000-0777, NAF/FA 94942, NA/FA 94963 and NAF/FA 95402) are authority for the fact that the disruption of the business of a complainant may be inferred if the Registrant has registered a variation of the Complainant's mark. Furthermore, the Dan River Case (an unreported WLD judgment of 9 November 1969) supports the view that registered trade mark rights confer upon the owner the exclusive rights to use those marks within the Republic. In light of these authorities, the Adjudicator finds that it a reasonable assumption that registration of those disputed names are, or will, unfairly disrupt the Complainant's business or interfere in the exercise of its rights.

It would seem, therefore, that the Complainant has succeeded in discharging the onus in at least three of the factors that point to the disputed names being abusive registrations.

d. Conclusion

To sum up, the Adjudicator is satisfied that the Complainant has, on a balance of probabilities, established

- That it has rights in the trade mark SAMSUNG: and
- That the disputed names are identical or similar to such trade mark:
and
- That the disputed names are abusive registrations.

5) ADJUDICATOR'S DECISION

For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain names "samsungcartridge.co.za" and "samsungcartridges.co.za" be transferred to the Complainant.

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BRIAN WIMPEY
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za