

ADJUDICATOR DECISION

CASE NUMBER:	ZA2009-0028
DECISION DATE:	3 July 2009
DOMAIN NAME	gardenmaster.co.za
THE DOMAIN NAME REGISTRANT:	Chris Dore (Revolutionary Marketing CC)
REGISTRANT'S LEGAL COUNSEL:	Not applicable
THE COMPLAINANT:	Masstores (Pty) Ltd
COMPLAINANT'S LEGAL COUNSEL:	Adams & Adams
THE 2 nd LEVEL DOMAIN NAME ADMINISTRATOR:	UniForum SA (CO.ZA Administrators)

1. Procedural History

- 1.1 The Dispute was filed with the South African Institute of Intellectual Property Law (the “SAIPL”) on 13th April 2009. On the same day the SAIPL emailed to the Administrator (hereinafter “UniForum”) a request that the registry suspend the domain name and on 13th April 2009 UniForum SA confirmed that the domain name had been suspended. The SAIPL verified that the complaint satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the “Regulations”).
- 1.2 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on 13th April 2009. The due date for the Registrant’s Response was 11th May 2009. In the form of a letter dated 17th May 2009 sent to the Complainant’s legal counsel (Adams & Adams) a close corporation by the name of Garden Master cc, claiming to have requested the Registrant to register the domain name on its behalf, submitted a response.¹
- 1.3 Two questions have arisen in connection with this response. First, it is not a response “from the Registrant” which, technically, is therefore in default. Second, even if it can be deemed to be from the Registrant, or in his place, it does not constitute a response as required by Regulation 18, not being deposed to under oath. If the letter is to be ignored, the complaint falls to be assessed as one where the Registrant is in default; i.e. the Adjudicator must decide the matter based on the Dispute as lodged by the Complainant.²
- 1.4 In <embassytravel.co.za>³ a response lacking in compliance with Regulation 18 was in issue. It was held, by the Adjudicator in that

¹ The letter is quoted below. Garden Master cc is hereinafter referred to as “the close corporation”.

² Regulation 18(3).

³ <embassytravel.co.za> ZA2008-0024.

matter that less than perfect compliance with the Regulations does not result in a nullity, so that the response could be taken into account. The remaining issue, consequently, was what weight was to be attached to the letter.⁴

1.5 These aspects, in the present matter, are addressed in Section 2 *infra*. However, to make matters worse, Further Particulars were requested of the parties, and the close corporation, in terms of Regulation 26. No response has been received, either from the close corporation or the Registrant. In light of the Particulars that were requested, this affects the question as to what weight to attach to the letter from the close corporation (if at all).

1.6 Not without significance, the question also arises as to what inference is to be drawn (if any) from the failure by the Registrant (and/or the close corporation) to respond to the Request for Further Particulars.

2. **Synopsis**

2.1 The Adjudicator's position on these issues, and their bearing upon the matter is the following.

2.2 The letter from the close corporation was clearly written in response to the dispute. So much is so from its contents. An Adjudicator is interested in the facts of a matter, and so to decide the matter solely on the basis that the Registrant is in default of a response and ignore what the letter reveals would be to put form above substance.

2.3 This decision is not to be taken as *carte blanche* to lodge irregular submissions. Each case should be decided on its own factual matrix.

2.4 Even taking the letter into account, it is the Adjudicators' view that the registration is abusive. This view is explained in Section 5 below.

⁴ *loc cit*, paragraphs 2 f and 2g.

2.5 There is, therefore, no prejudice to the Complainant in receiving the letter as being a response to the dispute, despite its irregularity.

3. **Factual Background**⁵

3.1 The Complainant is Masstores (Pty) Ltd, a South African company with an address at 16 Peltier Drive, Sunninghill, Sandton. The Complainant registered the trade mark GARDENMASTER on 13th May 1999 in respect of a variety of goods for use in gardening: manure and fertilizers, lawnmowers, edge trimmers, hand tools, gardening implements, hosepipes, gardening sprinklers, watering cans, gloves, and the like. Although, *prima facie*, the registrations were due to expire on 13th May 2009, it was confirmed by Adams & Adams in response to the Adjudicator's Request for Further Particulars that the registrations were renewed and are thus valid and in force.

3.2 The Complainant has used this trade mark, GARDENMASTER, in relation to gardening equipment which has been sold on an extensive scale through outlets fairly well-known on the South African landscape: Makro, Game, Dion, Builders Warehouse and Federated Timbers. It is alleged that sales of the GARDENMASTER implements amount to tens of millions of rands, annually, and that the goods have been advertised on a substantial scale throughout South Africa. It is contended that, as a result, the GARDENMASTER range is a very successful and well-known range of garden implements and that the mark GARDENMASTER creates a connection in the course of trade between those goods and the Complainant.

3.3 On 22nd February 1988 the close corporation Garden Master cc was incorporated and registered with the Registrar of Close Corporations

⁵ There being no contrary allegations of fact, the Adjudicator accepts that those submitted by the Complainant are common cause.

under No. CK88/06108/23. Its sole member is Russel Charles Gibbens. His address is at 231 Lothian Road, Durban North and the registered office of the close corporation is in Pinetown, Kwazulu Natal. According to the registered Certificate of Incorporation, the close corporation was converted from the company Garden Master (Pty) Ltd, registered in 1969 under No. 69/01065/07.⁶

3.4 The domain <gardenmaster.co.za> was registered on 19th February 2007.

3.5 In April 2008 the Complainant tried to register the domain name <gardenmaster.co.za> and became aware of the existence of the Registrant and the subject domain name registration. The Complainant, via what appears to be an outsourced “brand manager” Mr Clyde Paul Hill, contacted the Registrant. According to Mr Hill, the Registrant indicated that he would only be prepared to transfer the domain name for a substantial amount of money, despite the fact that the Registrant did not indicate an intention to use the domain name.

3.6 In consequence, on 22nd May 2008, Adams & Adams sent a letter to the Registrant stating, *inter alia*:-

“We understand that a representative of our client has spoken to you by telephone in connection with the domain name that you intend to retain it. (*sic*) Our client is, therefore, considering proceedings in terms of the alternative dispute resolution regulations. However, to avoid these proceedings, our client calls on you voluntarily to transfer the domain name to our client or to cancel it.

⁶ The Founding Statement, Certificate of Member’s Interest, and the Certificate of Incorporation in respect of Garden Master CC were annexed to the letter sent to Adams & Adams by Garden Master CC on 17th May 2009. Ostensibly copies of unredacted certificates under the hand of the Registrar of Close Corporations, the information they portray is presumed to be correct. No objection to the correctness of that information has been taken by the Complainant.

You are expressly warned that if you use the domain name or the mark GARDENMASTER in relation to any goods in respect of which our client has rights, or in any manner that interferes with its trade, it will not hesitate to approach the High Court for appropriate relief.”

- 3.7 It is not explained why the dispute was lodged almost a year subsequent to that communication.
- 3.8 Nevertheless, it is contended by the Complainant that the domain name <gardenmaster.co.za> in the hands of the Registrant is an abusive registration within the meaning of Regulation 3(1)(a).
- 3.9 The letter from the close corporation sent to Adams & Adams was signed by Mr Gibbens. It clearly is in response to the dispute, as will be appreciated from its opening paragraph. To explain the Adjudicator’s Request for Further Particulars,⁷ the letter is quoted:-

“We have been forwarded a notification of a domain name dispute in respect of the registration of www.gardenmaster.co.za by Revolutionary Marketing.

We wish to advise our position on this matter as follows:-

- 1) Gardenmaster CC⁸ was first registered as a Proprietary Limited company in 1969 Registration No. 69/01065/07.
- 2) The company was purchased by the present owner – Russell Charles Gibbens on 09 May 1979.

⁷ These are referred to below.

⁸ The name ‘Gardenmaster’ is a single word in the letter. However, it is two words in the Register of Close Corporations. Whether this is not without relevance does not require decision.

- 3) Gardenmaster (Pty) Ltd was converted to a Closed Corporation on 29 February 1988. Registration No. CK88/06108/23 – now 198800610723. (See attached Certificates of Incorporation, Founding Statement and Member's interest.
- 4) Gardenmaster CC became aware of a possible conflict of interest when our office began receiving telephonic requests to repair "Gardenmaster" gardening equipment.
- 5) An appeal was lodged against Masstores (Pty) Ltd of a conflict of interest. The response to this appeal was that Gardenmaster CC provides gardening and specialist turf maintenance services and that there would be no conflict with the marketing of gardening equipment.
- 6) It was resolved that in view of the response to our objection to the use of the name "Gardenmaster" on products sold by Masstores (Pty) Ltd, our company name had to be protected and early in 2007 Revolutionary Marketing were requested to register the domain name www.gardenmaster.co.za on our behalf.
- 7) Despite the fact that the website under the domain name in dispute has not been developed, this has not precluded Gardenmaster CC from making use of this website in the future and as such we are not prepared to relinquish the domain name."

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- 3.10 This letter, as mentioned, was not sent by the close corporation to the Provider, but to Adams & Adams. It was accepted as purporting to be a response to the Dispute⁹ and forwarded to the Provider.
- 3.11 In an affidavit submitted on behalf of the Complainant in Reply to the letter, the following is recorded:-
- 3.11.1 The Complainant has not been aware of the corporation or the conflicts to which the corporation refers;
- 3.11.2 The Complainant is not aware of any “appeal” lodged against it or the corporation’s response to the appeal.
- 3.12 Further Particulars were requested as is provided by Regulation 26.¹⁰ The Adjudicator required that:-
- 3.12.1 The responses be furnished to the provided within 5 business days;
- 3.12.2 The responses be in full;
- 3.12.3 They be deposed to under oath, i.e. on affidavit, in compliance with Regulation 16;
- 3.12.4 Documentation was to be referenced by statements under oath.
- 3.13 The following further statements were required from the close corporation:-

⁹ Although, not a response “from the Registrant”.

¹⁰ Regulation 26 provides that “In addition to a dispute, a response, and a reply, the Adjudicator may request further statements or documents relevant to the dispute, response or reply from either of the parties.”

- 3.13.1 What does the expression “conflict of interest” mean as used in the letter?
 - 3.13.2 Precisely when did the close corporation become aware of the possible conflict of interest?
 - 3.13.3 What is meant by the statement “an appeal was lodged against Masstores (Pty) Ltd”?
 - 3.13.4 What were the terms of the request to Revolutionary Marketing?
 - 3.13.5 Why was the request made to Revolutionary Marketing in particular?
 - 3.13.6 Why was it considered that to register the domain name would protect the company name?
- 3.14 The following further documents were requested from the close corporation:-
- 3.14.1 All written communications by or on behalf of the close corporation in regard to the said “appeal and response”.
 - 3.14.2 All written communications by or on behalf of Masstores (Pty) Ltd in regard to the said “appeal and response”.
 - 3.14.3 All documentation and correspondence between the close corporation and Revolutionary Marketing, or on their behalves, in relation to the request.
 - 3.14.4 All documentation and correspondence between the close corporation and Revolutionary Marketing, or on their behalves, in relation to the registration of the domain name.

3.15 The following further statements from Chris Dore¹¹ were requested:-

3.15.1 Why did the Registrant not respond to the complaint?

3.15.2 What comment does the Registrant have on the assertions of the close corporation?

3.16 No response has been received from either Chris Dore or the close corporation. It is permissible to draw an adverse inference where an explanation would throw light on an aspect, and such an explanation can be given but is not.¹² In view of the decision to which the Adjudicator has come, it is not necessary to make any findings in this regard.

4. **Complainant's Contentions**

4.1 The Complainant alleges that the domain name is an abusive registration. It alleges that it has long established prior rights both of a registered and common law nature in the GARDENMASTER trade mark which dates back to 1999. The Registrant on the other hand, registered the domain name only on 19th February 2007.

4.2 It is further contended that, since the registration of the domain name <gardenmaster.co.za>, the Registrant has not made any commercial use of the website under the domain name.¹³

¹¹ That is, the Registrant.

¹² Elgin Fireclays Ltd v Webb 1947 (4) SA 744 (AD) at 749-750: "If a party fails to place the evidence of a witness, who is available and able to elucidate the facts, before a trial Court, this failure leads naturally to the inference that he fears that such evidence will expose facts unfavourable to him."

¹³ This, it will be noted, accords with paragraph 7 of the letter from the close corporation.

4.3 It is further contended that, from the registration, non-use and the Registrant's offer to transfer the domain name for consideration in excess of its out-of-pocket expenses, it can only be construed that the Registrant's intention at the time of registering the domain name was to extort money from the Applicant.

4.4 Accordingly, the Complainant submits that the Registrant's purpose in acquiring the registration of the domain name was to benefit from the Complainant's reputation, or otherwise to sell or otherwise transfer the domain name to the Complainant or any third party for a valuable consideration and to block the registration of the domain name <gardenmaster.co.za> by the Complainant. Accordingly, it is contended that the Registrant is interfering with and preventing the Complainant from exercising its rights in the mark GARDENMASTER.

5 Discussion and Findings

5.1 The Adjudicator finds that the Complaint has rights in respect of the mark GARDENMASTER as contemplated by Regulation 3(1)(a). The question is whether the registration in the hands of the Registrant is an abusive registration.

5.2 An abusive registration means a domain name which either:-

- (a) 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
- (b) has been used in a manner that takes unfair advantage of, or is unfairly detrimental to the Complainant's rights.¹⁴

¹⁴ The definition under (b) is not relevant for present purposes.

- 5.3 The Complainant is required to prove on a balance of probabilities that the required elements are present.¹⁵
- 5.4 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:-
- 5.4.1 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;
 - 5.4.2 block intentionally the registration of a name or mark in which the Complainant has rights;
 - 5.4.3 disrupt unfairly the business of a Complainant;
 - 5.4.4 prevent the Complainant from exercising its rights.
- 5.5 Factors which may indicate that the domain name is not an abusive registration, in terms of Regulation 5, are denominated by use of the domain name;¹⁶ save in the case that the Registrant "*has been commonly known by the name or legitimately connected with a mark which is identical or similar to the domain name*".¹⁷
- 5.6 There is no evidence to demonstrate that the registration of the name was "primarily" to extract a valuable consideration in excess of the out-of-pocket expenses. That intention is the essence of Regulation 4(1)(a)(i). An inference of an intention to disrupt unfairly the business

¹⁵ Regulation 3(2).

¹⁶ In the present case there has been no use of the domain name.

¹⁷ Regulation 5(a)(ii).

of the Complainant or to prevent the complainant from exercising its rights also cannot be made from the facts.

- 5.7 The letter from the close corporation invokes reference to a conflict of its name with that of the Complainant, and that this predated the application for the domain name registration. The Complainant denies such conflict, but the Registrant (or the close corporation) cannot benefit from a lack of truth in its assertion: that it was aware of the Complainant's interest in the mark; and it, the close corporation, acquiesced in the Complainant's continued use.
- 5.8 It is difficult to accept the (purported) rationale that registration of a domain name would, as alleged by the close corporation, "protect its rights". The purpose of a domain registration is not to protect rights - the purpose is to enable ecommerce. But, this apart, whilst nothing gives the close corporation the right to registration of the domain name, it has acquired the right to continue using the trade name Garden Master. At least, vis a vis the Complainant, the close corporation has a prior right to its trading style. However, it was only in the light of the alleged conflict that the close corporation "sought to protect" the name.
- 5.9 Given the status of such priority in the jurisprudential framework of intellectual property laws, the Complainant could not have been able to stop the close corporation from continuing so to trade. The point is that registering the domain name would not have afforded the close corporation any rights *vis a vis* an attack from the Complainant.
- 5.10 It may be contended, or it may be rationalised, that this "protecting" of rights was not defensive in nature but to secure the thitherto-unclaimed terrain of a domain name registration. But then, this infers that the registration was to prevent the Complainant from doing so. The absence of (the requested) Further Particulars from the close corporation prevents a disturbing of this inference.

5.11 This conclusion draws support from the fact that no such registration had been sought at any time before. Furthermore, the domain is still in the hands of (at best) an agent. Moreover, whilst the absence of use, *per se*, offers no indication of abuse, in these circumstances (and absent an explanation from an enterprise already in existence for decades) the fact that, a number of years later, still no use has been made of the domain name lends credence to the perceived probabilities.

5.12 These probabilities are – and the Adjudicator’s view, therefore, and on balance, is - that the registration was abusive. Given the circumstances, the refusal to transfer the registration except for a substantial amount of money, one in excess of the reasonable out-of-pocket expenses incurred in the actual registration, perpetuates the abuse.

5.13 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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OWEN SALMON
SAIIPL SENIOR ADJUDICATOR

LISA THORNTON
SAIIPL TRAINEE ADJUDICATOR

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