

Decision

[ZA2012-0110]

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2012-0110
DECISION DATE:	21 June 2012
DOMAIN NAME	Dedrego.co.za
THE DOMAIN NAME REGISTRANT:	Pierre Roux
REGISTRANT'S LEGAL COUNSEL:	N/A
THE COMPLAINANT:	Dedrego Trading CC
COMPLAINANT'S LEGAL COUNSEL:	Ms V Lawrance (Hahn & Hahn Inc)
2 nd LEVEL ADMINISTRATOR:	UniForum SA (CO.ZA)

1 Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIPL") on **20 April 2012**. On **23 April 2012** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name at issue, and on **24 April 2012** 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) In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **30 April 2012**. In accordance with the Regulations the due date for the Registrant's Response was **29 May 2012**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **30 May 2012**.
- c) The SAIPL appointed **Charles Webster** as the Adjudicator in this matter on **1 June 2012** and **Herman Blignaut** as Trainee Adjudicator on **4 June 2012**. The Adjudicators have 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 Factual Background

- 2.1 The factual background for this matter appears solely from the complaint lodged by Dedrego Trading CC. As no response was filed by the Registrant, there is no dispute on the factual issues in this matter, and the Adjudicators may accept, for present purposes, that the allegations of fact by the Complainant are generally true and correct.
- 2.1 The Complainant is Dedrego Trading CC, a close corporation duly incorporated in accordance with the laws of the Republic of South Africa with registration number 2008/252072/23, and having its principal place of business at 32 Finch Road, Edelweiss, Springs, 1559.
- 2.2 The Registrant is Pierre Roux, an adult male person, who according to a WHOIS search has his contact address at 21 Rooibekkie street, Presidents

Dam, Springs.

- 2.3 The dispute concerns the Domain Name dedrego.co.za, which was registered by the Registrant on 28 January 2011.
- 2.4 The Registrant was an employee of the Complainant between the period of 3 January 2011 to 24 November 2011, as an IT Manager. During such period, the Complainant instructed the Registrant to register the domain name dedrego.co.za, on its behalf. The Registrant attended to the registration on 28 January 2011, but recorded himself as the Registrant of the domain name. The Complainant only became aware of this fact after the Registrant's employment was terminated.
- 2.5 After leaving the employment of the Complainant, the Registrant used the domain name to redirect e-mail correspondence, intended for the Complainant, to himself. Furthermore, the Registrant contacted the Complainant's clients in an attempt to poach work from the Complainant.
- 2.6 The Complainant attempted to negotiate with the Registrant for the transfer of the domain name dedrego.co.za. However, the Registrant refused to discuss the matter and referred the Complainant to his attorney. The Registrant's attorney advised the Complainant that they could purchase the domain name dedrego.co.za from the Registrant for the amount of R250 000.

3 Parties' Contentions

3.1 Complainant

- 3.1.1) The Complainant based its complaint on the rights in the mark DEDREGO, arising out of the following:
 - a) The Complainant was incorporated on or about 3 December 2008.
 - b) The name DEDREGO has been used since 2008 for the Complainant business, which has established a substantial reputation attaching to the name DEDREGO.

- c) The Registrant was an employee of the Complainant, and thus the Registrant knew of the value that the Complainant attaches to the name DEDREGO.
- d) The Registrant registered the domain name dedrego.co.za on the instruction, and within the employment, of the Complainant.

3.1.2) Furthermore, the Complainant based its complaint on the fact that, in the hands of the Registrant, the domain name is an abusive registration. The Registrant has registered the domain name, in his own name, primarily to:

- a) Sell the domain name to the Complainant for a valuable consideration in excess of the Registrant's reasonable out-of-pocket expenses;
- b) Disrupt unfairly and prejudicially the business activities of the Complainant; and
- c) Prevent the Complainant from exercising its rights.

3.2 Registrant

- a) The Respondent did not reply to the Complainant's contentions.

4 Discussion and Findings

- a) As stated above, the Registrant submitted no response to the complaint. The discussion and findings which follow below are thus all based on the undisputed facts as presented by the Complainant. The Complainant seeks the transfer of the domain name dedrego.co.za out of the Registrant's name and into its own, i.e. Dedrego Trading CC and it does so on the basis that it claims the domain name dedrego.co.za to be an abusive registration in the hands of the Registrant.

Section 3(1)(a) of the Alternative Dispute Resolution Regulations provides that in order for the Complainant to succeed with its complaint, it must prove each of the following:

- i) That it has rights in respect of a name or mark;

- ii) Which is identical or similar to the domain name; and
- iii) In the hands of the Registrant the domain name is an abusive registration.

4.1 Complainant's Rights

- 4.1.1 The Complainant is an enterprise which was registered as a close corporation on the register of companies and close corporations on 3 December 2008. The name DEDREGO has been used by the Complainant since its incorporation and, extensive use of the name DEDREGO has been made by the Complainant over the past three years.
- 4.1.2 Whilst the Complainant does not rely on statutory rights in the name DEDREGO in the manner that the registration thereof as a trade mark would afford it, it relies on the reputation and goodwill which it has acquired therein through use as a common law / unregistered trade mark. It is trite law that unregistered marks in which the necessary goodwill can be shown may be enforceable as registered trade marks.
- 4.1.3 In the circumstances, the Complainant's incorporation under the name Dedrego Trading CC and use of its name since then has at least provided it with a protectable interest in the name DEDREGO. The expansion of any enterprise these days goes hand in hand with the registration of an appropriate domain name and the operation of a website under such domain name which serves to not only promote the business as well as its goods and services, but in many instances also to facilitate the running of its business.
- 4.1.4 This is what the Complainant entrusted to the Registrant to do, i.e. the request that he as an employee in the scope of his employment attend to the registration of the Complainant's primary trade mark as domain name. This is yet further confirmation of the Complainant's interest in the name DEDREGO and the extended use it was seeking to make thereof in the trade.
- 4.1.5 In light of the undisputed claims made in this regard by the

Complainant, the Adjudicator is satisfied that the Complainant indeed has rights in respect of the name DEDREGO.

4.1.6 The Registrant, contrary to its employer's instructions at that time, registered the domain name dedrego.co.za not in the name of its employer, but rather in his own personal name. The reason for this conduct is not known to the Complainant and the Registrant, despite having been afforded the opportunity to explain himself, has chosen to remain quiet. The domain name which was registered by the Registrant contrary to the instructions of his employee is dedrego.co.za. The name DEDREGO has no obvious meaning and appears to be an invented word the type of which is generally considered as distinctive and protectable as trade mark unlike, for example, descriptive terms.

4.1.7 The mark in which the Complainant has shown rights, namely the name DEDREGO is identical to the domain name dedrego.co.za. In this regard, it was held in the matter *"Magnum Piering Inc -v- The Mudjackers and Garwood S Wilson SR, WIPO Case No. D2000-1515"* that *"The addition of a specific top level domain is not an element of distinctiveness."*

In the circumstances, it appears clear that the domain name at issue is identical to the trade mark DEDREGO in which the Complainant has shown to have rights.

4.2 Abusive Registration

4.2.1 Section 4(1)(a) of the Regulations lists a number of circumstances which may serve to indicate the registration of a domain name to be abusive which include:

- i) The selling, renting or otherwise transferring of 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) Disrupting unfairly the business of the Complainant; or
- iv) Preventing the Complainant from exercising its rights.

The conduct of the Registrant falls within the ambit of each of the points referenced above.

4.2.2 When the Registrant was employed by the Complainant on 3 January 2011 he joined it as its IT Manager. One would imagine that the registration of a domain would normally be a duty that falls within the job description of an enterprise's IT personnel. The Registrant proceeded with the registration of the domain name on 28 January 2011, i.e. within his first month of employment, which he did on the instruction of his employer and within the course and scope of his employment. However, what appears clear is that he did not necessarily have the best interests of his employer at heart when doing so.

4.2.3 The Registrant knew of the Complainant and its trade mark DEDREGO. It cannot be disputed that the Registrant had knowledge of the Complainant's trade mark. In light of the facts of this particular matter, the following extract from the decision in the matter of "*Media 24 Limited -v- Llewellyn Du Randt, WIPO Case No. D2009-0699*" seems apt:

"Moreover, where a former employee registered a domain name that incorporated the company name of his employer, that was considered to be evidence of bad faith, even where no offer to sell the domain had been made to the Complainant. This is further fortified by the underlying reasoning that, where a Respondent who had been a former employee of a Complainant adopted a distinctive element of his former employer's common law trade mark and where he must have been aware of the Complainant's reputation, that constituted registration and use in bad faith. The position of a former employee is also suspect since, as a rule, former employees do not have a legitimate right or interest in registering as their own names their former employer's trade mark as a domain name and that such registration is considered likewise to be evidence of bad faith.

4.2.4 Not only was the Registrant an employee of the Complainant at the time the domain name was registered, but also through his attorney

made an exaggerated offer (in the amount of R250 000) to sell the domain name to the Complainant.

4.2.5 In addition, there is no doubt that the Registrant has through his conduct intentionally blocked the registration of a name or mark in which the Complainant has rights, has disrupted unfairly the business of the Complainant and prevented it from exercising its rights in the name DEDREGO. The Adjudicator accordingly concludes that the domain in dispute is in the hands of the Registrant an abusive registration.

5. Decision

5.1 For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the domain name, dedrego.co.za be transferred to the Complainant.

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