



Decision
[ZA2013-0125]
**.ZA ALTERNATE DISPUTE
RESOLUTION REGULATIONS**
(GG29405)

ADJUDICATOR DECISION

CASE NUMBER:	ZA2013-0125
DECISION DATE:	09 April 2013
DOMAIN NAME:	thesoapbarn.co.za
THE DOMAIN NAME REGISTRANT:	CandiceFoulds.com
REGISTRANT'S LEGAL COUNSEL:	None
THE COMPLAINANT:	The Soap Barn CC
COMPLAINANT'S LEGAL COUNSEL:	Adams & Adams
2 nd LEVEL ADMINISTRATOR:	UniForum SA

1. Procedural history

- 1.1 The domain in issue is <thesoapbarn.co.za>, which was registered on **26 July 2012**.
- 1.2 The Complainant is The Soap Barn CC, hereinafter referred to as “the Complainant”. The Registrant is CandiceFoulds.com.
- 1.3 This dispute was filed with the South African Institute of Intellectual Property Law (“SAIPL”), on **1 February 2013**. On **4 February 2013** the SAIPL transmitted by email to UniForum SA a request for the registry to suspend the domain name, and on the same date UniForum SA confirmed the suspension.
- 1.4 In accordance with the Regulations, the SAIPL formally notified the Registrant of the commencement of the Dispute on **5 February 2013**. The due date for the Registrant’s Response was **5 March 2013**.
- 1.5 The Registrant submitted its Response on **5 March 2013**, and the SAIPL verified that the Response satisfied the formal requirements of the Regulations and the SAIPL’s Supplementary Procedure. The SAIPL forwarded a copy of the Response to the Complainant who submitted a Reply on **13 March 2013**.
- 1.6 The SAIPL appointed Adv Owen Salmon as the Adjudicator in this matter on **15 March 2013**. 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.

2. Factual Background

- 2.1 The facts which are recorded hereunder are accepted as being undisputed for the purposes of this adjudication.
- 2.2 The Complainant is The Soap Barn CC, a close corporation incorporated under South African law, with its registered address at Glendower Shopping Centre, 99 Linksfield Road, Glendower, Edenvale, Johannesburg.
- 2.3 The Registrant is an entity called "CandiceFoulds.com", which has listed P.O. Box 12372, Edleen, 1625, as its postal address and also (incorrectly) as its street address. The Registrant's e-mail address is listed as hosting@goingwireless.co.za.
- 2.4 THE SOAP BARN CC was incorporated and registered with the Companies and Intellectual Property Commission on 21 October 2004. It has been using THE SOAP BARN as a trading style for its store situated in the Glendower Shopping Centre in Edenvale, Johannesburg, since 2004 and as a brand name, a trade mark, for several of its products.
- 2.5 The Complainant's business has been successful over the last few years, showing steady growth, and in 2012 alone its turnover exceeded R3 million.
- 2.6 The Complainant not only sells its products through its store, but also through its website at www.soapbarn.co.za, a domain it registered on 24 August 2005, launching the website launched shortly thereafter. The website receives tens of thousands of visits from internet users on an annual basis.
- 2.7 For the past six years, the Complainant has exhibited at the Hobby-X exhibition, which continues to be one of the most popular hobby and craft exhibitions in the country, attended by tens of thousands of visitors each show. The exhibition is held mostly in Johannesburg and Midrand, but shows have been held in Cape Town, Durban, Pretoria and Bloemfontein.

2.8 Since 2004, the Complainant has sent out monthly newsletters by e-mail containing new recipes for making soap, lip balm and other products. The newsletters display the Complainant's name/trade mark THE SOAP BARN. To date, over 5000 people/customers have subscribed to the Complainant's mailing list.

2.9 It is submitted by the Complainant that it has acquired a substantial reputation in respect of its THE SOAP BARN trade mark in the hobby/craft industry in South Africa, particularly in the Gauteng province. It is also submitted that THE SOAP BARN trade mark is exclusively associated by members of the public with the Complainant. Therefore, it is contended, the Complainant has acquired common law rights in respect of its trade mark.

3 The Complaint

3.1 The complaint can be summarized as follows.

3.2 It came to the Complainant's attention in December 2012 that the Registrant had registered the disputed domain name, which is identical to the Complainant's THE SOAP BARN trade mark and corporate name. At that stage, the disputed domain name resolved to a website at www.candicefoulds.com the owner of which is a South African company called CandiceFoulds (Pty) Ltd.

3.3 It is submitted that, as the Registrant is trading in such close proximity and is in competition with the Complainant, the Registrant must have known of the Complainant's rights in THE SOAP BARN trade mark prior to registering the disputed domain name. Indeed, it is further alleged, the Registrant's Ms Foulds (and/or Mr Foulds) has been a many-time customer of the Complainant's shop. Accordingly, the Registrant's *modus operandi* was clearly to register the disputed domain name to prey off the reputation that the Complainant had acquired in its THE SOAP BARN trade mark in an effort to divert the Complainant's customers to the Registrant's website.

- 3.4 Further, as the Complainant also sells products through its website, it is important that its customers can find its website. The diversion of customers away from the Complainant's website to a competitor's website is likely to result in a loss of sales. Therefore, it is alleged the registration and use of the disputed domain name by the Registrant takes unfair advantage of, and is unfairly detrimental to, the Complainant's rights.
- 3.5 Furthermore, in light of the Complainant's extensive reputation in respect of its THE SOAP BARN trade mark in South Africa, members of the public and businesses, particularly in Johannesburg, are likely to believe that the disputed domain name is registered to, operated or authorised by, or otherwise connected with the Complainant.
- 3.6 In response to a demand, the Registrant offered to sell the disputed domain to the Complainant for R7 500. This, it is alleged, is much more than the Registrant's out-of-pocket expenses to register the domain name. The Registrant also threatened to place the disputed domain name on auction, should the Complainant not accept its offer by 9 January 2013.
- 3.7 Thus, it is contended, the domain is an abusive registration as contemplated by the Regulations.

4 The Registrant's Contentions

- 4.1 The Registrant's response can be summarized as follows.
- 4.2 Newsletters that were obtained from the Complainant's website show that the Complainant constantly refers to its business as "Soapbarn" and not "The Soap Barn". This, it is contended, creates the perception that "Soap Barn" is the correctly accepted name of the business.
- 4.3 Then, it is said, the disputed domain <thesoapbarn.co.za> was a strategic registration by the Registrant with the intent to sell after a period of time had lapsed. Since the Complainant failed to register the disputed domain <thesoapbarn.co.za>, indeed since August 2005, it was clear that the

Complainant had no commercial or any other use for it, and that any individual or company was eligible to register the domain.

- 4.4 Further, it is mentioned that no trade marks can be found on the CIPC database in the name “The Soap Barn”; thus, the rights are not protected under trade mark laws.
- 4.5 The Registrant’s personnel (Ms Candice Foulds and/or her husband Mr Etienne Foulds) ‘*approached the domains <soapbarn.com> and <thesoapbarn.com> in the USA*’ to enquire about becoming an agent of some of their product offering in South Africa. If that were to materialize, the Registrant avers, the disputed domain name would be ideal since the domain <thesoapbarn.co.za> would not require product rebranding.
- 4.6 Finally, it is contended the Complainant is using the Regulations in bad faith, and is guilty of reverse name hijacking.

5 Discussion and Findings

- 5.1 THE SOAP BARN name is incorporated in the registered name of the Complainant, and is a recognized name and brand in the soap industry. The Adjudicator finds that the Complainant has established rights as contemplated by Regulation 3(1)(a) read with Regulation 3(2).
- 5.2 The Adjudicator further finds that the Domain is identical to the Complainant’s THE SOAP BARN name, and is also similar to the registered company and trade name of The Soap Barn CC as contemplated by Regulation 3(1)(a).
- 5.3 The question is whether the registration in the hands of the Registrant is an abusive registration.
- 5.4 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.¹

5.5 The Complainant is required to prove on a balance of probabilities that the required elements are present.² However, given the proviso to Regulation 5, this onus reverses in the event that the name is identical to one in which the Complainant is found to have rights.

5.6 In terms of Regulation 4(1)(a), factors which may³ indicate that the domain name is an abusive registration include circumstances indicating that the registration was primarily to:-

- 5.6.1 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;
- 5.6.2 block intentionally the registration of a name or mark in which the Complainant has rights;
- 5.6.3 disrupt unfairly the business of a Complainant;
- 5.6.4 prevent the Complainant from exercising its rights.

5.7 The Registrant must have been aware of the Complainant's rights and interests in the name THE SOAP BARN. No evidence has been tendered to gainsay the Complainant's allegations in this regard, and anyway the probabilities would weigh heavily against the Registrant. Neither Mr Etienne

¹ The definition under (b) is not relevant for present purposes.
² Regulation 3(2).
³ The factors listed are not exclusive of other considerations.

Foulds nor Mrs Candice Foulds could do anything by way of legitimate trade under the name THE SOAP BARN for to do so would, *prima facie* at least, be deceptive.

5.8 Then there is the statement by the Registrant that it secured registration for strategic motives, to sell after a period of time had lapsed. What does a period of time have to do with it, one is driven to wonder, if not to afford the Complainant the opportunity to discover that its brand name and trading style has become the subject of another's internet domain? Indeed, the threat of auction, in the event of the Complainant's failure to accept the price put by the Registrant, compounds the concern.

5.9 The inference is inescapable that the registration was obtained for motives which, in the Adjudicator's view, fall comfortably within Regulation 4(1)(a).

5.10 Accordingly, the Adjudicator finds that the registration is abusive and upholds the Complainant's Dispute.

6 Decision

For the foregoing reasons the Adjudicator's conclusion is that the Registrant has not discharged the onus of showing that the domain name is not abusive. In accordance with Regulation 9, the Adjudicator orders that the domain name be transferred to the Complainant.

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ADV OWEN SALMON
SAIPL SENIOR ADJUDICATOR
www.DomainDisputes.co.za