

## ADJUDICATOR DECISION

CASE NUMBER:	ZA 2014-0181
DECISION DATE:	2 September 2014
DOMAIN NAME:	pastelsecured.co.za
THE DOMAIN NAME REGISTRANT:	Johan Pienaar
REGISTRANT'S LEGAL COUNSEL:	n/a
THE COMPLAINANT:	Sage South Africa (Pty) Ltd
COMPLAINANT'S LEGAL COUNSEL:	Hahn & Hahn
THE 2 <sup>nd</sup> LEVEL DOMAIN NAME ADMINISTRATOR:	ZACR (co.za Administrators)

## 1) Procedural History

- a. The Dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **27 June 2014**. On **27 June 2014** the SAIIPL transmitted by email to ZADNA a request for the registry to suspend the domain name at issue, and on **30 June 2014** ZADNA confirmed that the domain name had indeed been suspended. The SAIIPL verified that the Dispute satisfied the formal requirements of the .ZA Alternate Dispute Resolution Regulations (the "Regulations"), and the SAIIPL's Supplementary Procedure.
  
- b. In accordance with the Regulations, the SAIIPL formally notified the Registrant of the commencement of the Dispute on **30 June 2014**. In accordance with the Regulations the due date for the Registrant's Response was **28 July 2014**. The Registrant did not submit any response, and accordingly, the SAIIPL notified the Registrant of its default on **30 July 2014**. On **30 July 2014** the Registrant reacted and indicated that he had only received notice of the Dispute on that day. The SAIIPL subsequently extended the due date for the Registrant's Response to **6 August 2014**. On **7 August 2014**, the Registrant submitted its Response. On **8 August 2014**, the Complainant notified the SAIIPL that the Response does not comply with the provisions of Regulation 18 and that it is accordingly not going to reply unless directed otherwise by the SAIIPL.
  
- c. The SAIIPL appointed **Charne Le Roux** as the Adjudicator in this matter on **22 August 2014**. The Adjudicator has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the SAIIPL to ensure compliance with the Regulations and Supplementary Procedure.

## **2) Factual Background**

- a. The Complainant is Sage South Africa (Pty) Ltd, a South African company operating in the field of business and accounting management software. It is the registered proprietor of South African trade mark registrations for the mark PASTEL in classes 9, 16, 35, 37, 38, 41 and 42. The registrations are dated 4 February 1991 and 22 October 2002 respectively.
  
- b. The Disputed Domain Name was registered on 23 May 2014 and the website attached to the Disputed Domain Name incorporates information about security breaches concerning the products of the Complainant and also offers a solution whereby the sale of a competing product is promoted. The Complainant addressed a letter of demand to the Registrant on 5 June 2014, but did not receive a response.

## **3) Parties' Contentions**

### **a. Complainant**

- i. The Complainant contends, in connection with its rights, that it is the proprietor in South Africa of various South African trade mark registrations for the mark PASTEL in a number of classes. It also asserts that it has used the PASTEL trade mark for over 20 years and that it consequently owns common law rights in it.
  
- ii. The Complainant claims that the Disputed Domain Name wholly incorporates its PASTEL trade mark and that the addition of the word "SECURED", which is a descriptive word, to the PASTEL trade mark does not distinguish the Disputed Domain Name from the Complainant's trade mark.

- iii. The Complainant points out that the Registrant used to be a business partner of the Complainant and that he was aware of the reputation that vests in the Complainant's PASTEL trade mark.
- iv. The Complainant argues that the Registrant specifically chose the Disputed Domain Name to cause the public to believe that the Disputed Domain Name is registered to, operated or authorised by or otherwise connected to the Complainant.
- v. The Complainant also submits that the fact that the website attached to the Disputed Domain Name advertises information technology solutions for sale in respect of the Complainant's products, demonstrates that the Disputed Domain Name was selected to provide a springboard advantage to the Registrant through an implied connection with the Complainant.
- vi. The Complainant contends, lastly, that as a consequence of the confusion that will arise from the Registrant's registration and use of the Disputed Domain Name, the Complainant's business in South Africa will be disrupted.
- vii. The Complainant requests that the Disputed Domain Name be transferred to it.

**b. Registrant**

- i. The Registrant's Response was administratively deficient and was filed late. The Adjudicator will, nevertheless, accept it for the reasons mentioned later in this Decision.
- ii. The Registrant argues that the Disputed Domain Name is used to criticise the Complainant and to provide information about serious flaws in the Complainant's product ranges. He submits that these flaws were admitted by the Complainant in the media. The

Registrant also argues that the public has a right to be informed about such flaws and that the right to freedom of expression should outweigh the need of the Complainant to silent negative publicity about its products.

- iii. The Registrant stresses that he used the trade mark of the Complainant only for purposes of informing the public and that this Dispute is more an attempt by the Complainant to shut down any criticism of its products, rather than to take action in connection with the violation of its trade mark.

#### **4) Discussion and Findings**

Regulation 3(1)(a) requires of the Complainant to prove each of the following elements in order for the Disputed Domain Name to be transferred:

- i. that the Complainant has established right in respect of names or marks which are identical or similar to the Disputed Domain Name; and
- ii. that in the hands of the Registrant the Disputed Domain Name is an abusive registration.

##### **A. Procedural aspects**

- i. Late filing of the Response

In the event of a late response, an adjudicator's default course of action, pursuant to Regulation 28(1), is to proceed with a decision on the dispute. An adjudicator does, however, in terms of Regulation 24, have a general discretion as part of his/her general power, that should be exercised in a way that ensures equality and that each party is given a fair opportunity to present its case. The Adjudicator observes that in this instance, the Registrant was provided with an extension of the period within which to file a Response and that despite this extension, it still filed its Response late, albeit only with one day. Despite this

deficiency, since the Response was only one day late, and in the interest of fairness, the Adjudicator admits and has considered the submissions set out in the Response.

ii. Formal deficiencies of the Response

There is no provision regulating the consequences for responses that do not meet the formal requirements set out in Regulation 18. Whether, and under what conditions, responses are to be taken into account if they do not satisfy the formal requirements should therefore form part of the general discretion of the adjudicator. Factors that ought to be taken into account must include whether the deficiency constrains due process and if there was any prejudice to the Complainant as a consequence of the deficiency. In this case, the Adjudicator finds that the Response was not so materially deficient so as to prejudice the Complainant and therefore accepts the Response also on this basis.

**B. Complainant's Rights**

The Adjudicator finds that the Complainant has discharged the onus of showing that it has established rights in respect of the PASTEL trade mark. The Adjudicator also finds that the Disputed Domain Name is similar to the Complainant's PASTEL trade mark, as required in terms of Regulation 3(a). The addition of the descriptive term "SECURED" to the Complainant's trade mark in the Disputed Domain Name is not sufficient to escape this finding.

**C. Abusive Registration**

The Registrant argues that the website attached to the Disputed Domain Name acts as a criticism site and that he should be allowed to inform the public of the deficiencies in the Complainant's product through these means. The Adjudicator notes, however, that the website is not purely dedicated to the criticism referred to. It also offers a solution to the problem identified by the Registrant, by promoting a competing software package.

In any event, even if the Registrant's intention was just to criticise the Complainant's products, there is no reason why he could not have selected another domain name. Instead, he adopted the Complainant's PASTEL trade mark and combined it with a generic word that would undoubtedly suggest a connection with the Complainant. See the decision in *Knights Letting Ltd v Mr Lyndon Watkins (Nominet) DRS 4285*, which deals with criticism sites in general. See also in *Max Du Preez v Praag-Daniel Roodt* under reference ZA2011-0064.

The decision in the matter of *Wal-Mart Stores, Inc v Walsucks and Walmarket Puerto Rico*, WIPO Case No. D2000-00477, is however particularly relevant to this case as it deals with a matter where the Respondent argued that the domain name in question was being used for free speech purposes and the panel found that it was primarily a pretext for commercial advantage.

It is clear, in this case, that the criticism expressed was with a view to persuade the public to switch to the Registrant's product, rather than to inform them. It is also telling that the Registrant was a previous business partner of the Complainant, a fact he does not deny in his Response.

In the circumstances, the Adjudicator finds that the Disputed Domain Name, in the hands of the Registrant, is abusive.

**D. Decision**

- a. For all the foregoing reasons, in accordance with Regulation 9, the Adjudicator orders that the disputed domain name *pastelsecured.co.za* be transferred to the Complainant.

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**CHARNE LE ROUX**  
SAIIPL SENIOR ADJUDICATOR  
[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)