

Decision

ZA2017-0275

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

ADJUDICATOR DECISION

CASE NUMBER:	ZA2017-0275
DECISION DATE:	30 November 2017
DOMAIN NAME	<u>telkombroadband.co.za</u>
THE DOMAIN NAME REGISTRANT:	Hsiuchu
REGISTRANT'S LEGAL COUNSEL:	n/a
THE COMPLAINANT:	Telkom SA SOC Ltd
COMPLAINANT'S LEGAL COUNSEL:	Adams and Adams Attorneys (Jani Cronje)
2 nd LEVEL ADMINISTRATOR:	ZA Central Registry (CO.ZA)

1 Procedural History

- a) The dispute was filed with the South African Institute of Intellectual Property Law (the "SAIIPL") on **01 August 2017**. On **15 August 2017** the SAIPL transmitted by email to ZA Central Registry (ZACR) a request for the registry to suspend the domain name at issue. On **15 August 2017** ZACR confirmed that the domain name had indeed been suspended. In response to a notification by the SAIPL that the dispute was administratively deficient, the Complainant filed an amendment to the dispute on **8 August 2017**. On **14 August 2017** the SAIPL verified that the dispute (together with the amendment to 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 **12 October 2017**. In accordance with the regulations the due date for the registrant's response was **9 November 2017**. The Registrant did not submit any response, and accordingly, the SAIPL notified the Registrant of its default on **10 November 2017**.
- c) The SAIPL appointed **Mike Du Toit** as the Senior Adjudicator and **Stuart Hayward** as the trainee adjudicator in this matter on **14 November 2017**. Both adjudicator and trainee adjudicator have submitted the Statements 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 Complainant in this administrative proceeding is Telkom SA SOC Limited (registration no. 1991/005476/30), a State-owned company duly incorporated in accordance with the laws of the Republic of South Africa, with its registered

address situated at 61 Oak Avenue, Highveld, Gauteng, 0157, South Africa.

- 2.2 The Registrant in these proceedings is Hsiuchu. The Registrant's address is recorded as 2F, no 26 Zongshan North Road Sec 7, Tortola, British Virgin Islands.
- 2.3 On 30 September 1991, the Complainant was registered and incorporated as a public company in terms of the South African Companies Act. Since that date, the Complainant has been offering a range of telecommunications-related goods and services in the South African market, including fixed line telephone infrastructure, internet access and ADSL broad band connectivity, using the name and trade mark TELKOM.
- 2.4 As at 31 March 2016, the Complainant had approximately 3.2 million telephone access lines in service and 1 077 939 ports connected via MSAN access. The Complainant and its trade mark TELKOM are well-known throughout South Africa.
- 2.5 The Complainant is the proprietor in South Africa of, inter alia, the following trade mark registrations: no. 1991/05807 TELKOM in class 9 in respect of "Scientific, electrical and electronic apparatus and instruments telex machines; telephone and telecommunication equipment; computer hardware; T\I, video, remote control, telecopy, sound and data recording apparatus; computers, micro-computers, micro-processors; coding instruments; sound recording supports such as records, magnetic tapes, disks, cassettes; computer programmes; word processing machines; and office machines and apparatus not included in other classes; parts and accessories for the foregoing";
- no. 1991/05808 TELKOM in class 16 in respect of "Paper and paper articles; cardboard and cardboard articles; printed matter; newspapers, magazines, technical handbooks; paper for printing computer programmes; directories, dictionaries, books and other printed publications; typewriting machines; office machines and apparatus not included in other classes";

no. 1991/05809 TELKOM in class 35 in respect of "Services relating to information matters, and information services using video, audio means, telephone, telex and telefax instruments included in this class";

no. 1991/05810 TELKOM in class 38 in respect of "Telecommunication services; telex services; telephone services; communication services in general";

no. 1991/05811 TELKOM in class 42 in respect of "Services relating to information matters included in this class; data processing; management and treatment; information services using video and audio means, telephone, telex and telefax instruments included in this class".

2.6 In addition to its above trade mark registrations, the Complainant has made widespread and extensive use of its TELKOM trade mark for the past 15 years and therefore, owns substantial common law rights in and to the trade mark TELKOM.

2.7 The Complainant has used, and continues, to use its trade mark in offering an assortment of services to its clients. More importantly, the Complainant is also very well-known for providing broadband connectivity. In the context of internet access, broadband refers to high-speed Internet access that is always on and faster than traditional dial-up access.

The Complainant has, in addition to its statutory rights in the trade mark, acquired substantial common law rights in its name and trade mark TELKOM.

2.8 The Complainant became aware of the fact that the Registrant had registered the domain name telkombroadband.co.za, during May 2017.

3 Parties' Contentions

3.1 Complainant

a) The complainant contends that the disputed domain name of the

registrant is identical or similar to names or marks in which the Complainant has rights [Regulation 3(1)(a)] and in the hands of the Registrant, is an abusive registration.

- b) The disputed domain name wholly incorporates the dominant element of the Complainant's name and the registered and well-known mark TELKOM. The addition of the descriptive word BROADBAND does not serve to distinguish the disputed domain name from the Complainant's trade mark and will, in fact, add to members of the public being confused. BROADBAND is a reference to the service provided by the Complainant and in respect of which it is well-known for. It is submitted that internet users who would visit the Registrant's website will no doubt be confused or be deceived into believing that the website is operated or endorsed by the Complainant or, at the very least, that the Registrant's business is somehow connected to or associated with the Complainant, when this is not the case.
- c) No legitimate reason can be provided by the Registrant as to why the disputed domain name would be registered, other than to take unfair advantage of the substantial reputation owned by the Complainant in its trade mark TELKOM. TELKOM is an invented word and has been the name of the Complainant, for over 15 years.

3.2 Registrant

- a) No opposition was received from the registrant.

4 Discussion and Findings

- a) In terms of regulation 3(1)(a), the complainant has to prove, on a balance of probabilities, that the disputed domain name is identical or similar to names or marks in which the Complainant has rights and that the domain name in the hands of the Registrant is an abusive registration.

The evidence submitted by the complainant points to the fact that the use of the 'telkombroadband.co.za' domain name constitutes trademark infringement in terms of sections 34(1)(a)-(c) of the *Trademarks Act* (in terms of mark number 1991/05810 'Telkom' whereby broadband internet services are covered by the words 'telecommunication services'). The use of the words 'Telkom' and 'broadband' in conjunction clearly infringes this particular registered mark.

The evidence also shows that the complainant is protected in terms of 'common law passing in addition to its trademark registrations. The registrant's use of the domain name would very likely mislead the public into believing that the complainant's business is connected with the business of the registrant (see ***Capital Estate & General Agencies (Pty) Ltd v Holiday Inns Inc (1977 2 SA 916 (A)*** at 929C) where the erstwhile Rabie JA defined passing off as well as ***Pioneer Foods (Pty) Ltd v Bothaville Milling (2014 2 All SA 282 SCA*** at paragraph 7) where Wallis JA added to this definition by requiring that the misrepresentation could only be committed in relation to a business that had established a reputation for itself in terms of the goods and services that it supplies, the misrepresentation should thus infringe on the reputational element of the goodwill of the business in order for it to be classed as passing off. The complainant put forward evidence that it has utilised the Telkom name and established a reputation with the general public for the provision of telecommunications and broadband services for the past 15 years. No doubt the use of the domain name would very likely infringes the complainant's goodwill and amounts to passing off.

4.1 Complainant's Rights

4.1.1 The Complainant is the proprietor in South Africa of, inter alia, the following trade mark registrations:

no. 1991/05807 TELKOM in class 9 in respect of "Scientific, electrical and electronic apparatus and instruments telex machines; telephone

and telecommunication equipment; computer hardware; T\I, video, remote control, telecopy, sound and data recording apparatus; computers, micro-computers, micro-processors; coding instruments; sound recording supports such as records, magnetic tapes, disks, cassettes; computer programmes; word processing machines; and office machines and apparatus not included in other classes; parts and accessories for the foregoing";

no. 1991/05808 TELKOM in class 16 in respect of "Paper and paper articles; cardboard and cardboard articles; printed matter; newspapers, magazines, technical handbooks; paper for printing computer programmes; directories, dictionaries, books and other printed publications; typewriting machines; office machines and apparatus not included in other classes";

no. 1991/05809 TELKOM in class 35 in respect of "Services relating to information matters, and information services using video, audio means, telephone, telex and telefax instruments included in this class";

no. 1991/05810 TELKOM in class 38 in respect of "Telecommunication services; telex services; telephone services; communication services in general";

no. 1991/05811 TELKOM in class 42 in respect of "Services relating to information matters included in this class; data processing; management and treatment; information services using video and audio means, telephone, telex and telefax instruments included in this class".

The registered rights were proven by the submission of Annexure "NM 2.1-2.5"

4.1.2 The Complainant has made extensive and widespread use of its trade mark TELKOM, in South Africa. The Complainant has acquired

substantial common law rights in its name and trade mark TELKOM. The Complainant alleges that the mark qualifies as a well-known trade mark in terms of the Trade Marks Act no 194 of 1993. Although the Complainant has proven substantial common law rights, it falls short of the requirements of "well known" in the Act. The annexures referred to by the Complainant in support of its common law rights, is sufficient proof of a substantial common law reputation that pre-dates the date of registration of the disputed domain name.

4.2 Abusive Registration

4.2.1 As per regulation 4:

No legitimate reason was provided by the Registrant as to why the disputed domain name was registered, other than to take unfair advantage of the substantial reputation owned by the Complainant in its trade mark TELKOM. TELKOM is an invented word and has been the name of the Complainant, for over 15 years.

The complainant has made extensive use of its 'Telkom' trademark throughout South Africa. The complainant and registrant are not linked in any way. There is no doubt that the holding of the domain name 'telkombroadband.co.za' creates the potential for confusion within the complainant's customer base which would be to the detriment of the complainant's trademarks falling within the definition of 'abusive registration' as per regulations 4(8), 4(9) and 4(10). See in **Telkom SA Ltd v Cool Ideas 1290 CC [ZA2007-0003]** that the disruption of the Complainant's business may be inferred if the Registrant registered a variation of the Complainant's mark by merely adding a generic word.

The use of the domain name telkombroadband.co.za in respect of broadband services by the Registrant would amount to unauthorised use, in relation to the services in respect of which the Complainant's trade mark is registered, of an identical mark. The Complainant's trade mark registration no. 1991/05810 TELKOM in class 38 covers,

inter alia telecommunication services (broadband is included in this category). The use of the disputed domain name, therefore, would amount to trade mark infringement in terms of Section 34(1)(a) of the Trade Marks Act.

The evidence points towards the abusive use of the domain in that the registrant's use or potential use of the domain name is not bona-fide- the registration appears mala-fide and abusive. See **Encyclopaedia Britannica Inc v LaPorte Holdings [WIPO D2005-0866]** This is possibly a case of 'cybersquatting' (as per regulation 4(6)) whereby third parties in far flung regions of the world register domain names applicable to well-heeled corporates in the hope that a quick buck can be made via licensing royalties or sale of the domain name. The cybersquatters have no intention of trading commercially in terms of the domain name, they intend to 'squat' on the domain name until it is profitable to let go of these rights.

The registration of the domain name also blocks or prevents the complainant from registering this same domain name (considering that the complainant provides broadband services it is logical that it would want to make use of this particular practically applicable domain name) which means that the registration is abusive as per regulation 4(7). See **Barloworld Limited & Barloworld Africa (Pty) Limited v David Godfrey [ZA2012-0120]**

In terms of regulations 3(1)(a) and (2) the complainant has proven on a balance of probabilities that the domain registration is abusive. The current set of facts somewhat parallel the facts and legal questions posed in **Netconnect CC v Millenium Desktop Service ZA2009-0035 (a SAIPL decision)**. In *Netconnect* a domain name was registered that was identical to a complainant's registered trade-mark within the appropriate class. The adjudicator correctly found that the domain registration amounted to an abusive registration in that the registrant had registered the disputed domain name in a manner which took unfair advantage of and was unfairly

detrimental to the complainant's rights.

5. Decision

- 5.1 For all the foregoing reasons the domain name registration is abusive. In accordance with Regulation 9(a) the adjudicator orders that the domain name *`telkombroadband'* be transferred to the complainant.

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