

**ADJUDICATOR DECISION**

CASE NUMBER:	<b>ZA2020-0396</b>
DECISION DATE:	<b>12 June 2020</b>
DOMAIN NAME	<b>brotherprinters.co.za          brothercartridges.co.za          brother-printers.co.za          brothercartridge.co.za          brother-cartridges.co.za          brother-cartridge.co.za          brother-printer.co.za          brotherprinter.co.za</b>
THE DOMAIN NAME REGISTRANT:	<b>Stergios Strakas</b>
REGISTRANT'S LEGAL COUNSEL:	<b>Eversheds Sutherland (SA) Inc</b>
THE COMPLAINANT:	<b>Brother International SA (Pty) Ltd</b>
COMPLAINANT'S LEGAL COUNSEL:	<b>Vorster &amp; Brandt Inc</b>
2 <sup>nd</sup> LEVEL ADMINISTRATOR:	<b>ZACR (CO.ZA )</b>

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## 1. Procedural History

- a) The Dispute was filed with the South African Institute of Intellectual Property Law (“the SAIPL”) on **12 February 2020**. On **17 February 2020** the SAIPL transmitted by email to ZACR a request for the registry to suspend the domain name at issue, and on **19 February 2020** ZACR 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 **20 February 2020**. In accordance with the Regulations the due date for the Registrant’s Response was **19 March 2020**. The Registrant submitted a Response on **19 March 2020**.
- c) The SAIPL appointed **Adv Owen Salmon SC** as the Adjudicator in this matter on **22 May 2020**. The Adjudicator 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 Complainant is a South African company which is a wholly-owned subsidiary of Brother International Europe Ltd, of Manchester in the United Kingdom, which in turn is a wholly-owned subsidiary of Brother Industries Ltd, of Japan. (This status of the Complainant was initially disputed by the Registrant, but in Reply the Complainant put up share certificates showing it to be the case.) Brother Industries Ltd is the proprietor of several entries in the South African trade marks register for the mark BROTHER both in *simpliciter* form and in a stylised form.

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The earliest registration dates from 1955.

- 2.2 The Complainant is the representative of Brother Industries Ltd in South Africa insofar as it is its authorised importer of BROTHER products in the country. The Registrant raises a dispute as to whether the Complainant is the exclusive distributor of BROTHER products, pointing out that the Complainant's own website shows it (ie, the Registrant) along with several other entities, to be resellers of BROTHER products. This is a question of semantics, and it is not really in dispute that the Complainant is who it claims to be – the authorised importer of BROTHER products which it then has distributed into the SA market by resellers. In the end, nothing turns on this.
- 2.3 The Complainant is the owner and operator of the domain brother.co.za which it secured in April 2001.
- 2.4 The domains in dispute were secured in November 2011. The domain brotherprinters.co.za is 'operative', but reveals a website for the business Pure IoT, which advertises a '*wide range of Brother Printers, Canon Printers, Epson Printers as well as HP & Samsung Printers to suit your everyday needs.*' The other disputed domains all point to this website, and perform, ostensibly and in this sense at least, no other function.
- 2.5 Prior to the complaint being lodged, correspondence passed between the parties' legal representatives, and representatives of the parties themselves also held some meetings. These communications did not produce a result to the satisfaction of the Complainant and as a result of which it lodged the Complaint. Mr Strakas raised the contention that the Complainant had known of his registration of the domains for a long time, and had not objected. However, the evidence he tenders in support of this contention – an email dated 11 September 2017 – is

addressed to sales@piot.co.za and with no indication otherwise *ex facie* the email of the alleged knowledge, not much can be made of the contention. At least, it does not appear that the Registrant urges with any earnest the defence of acquiescence or of waiver and so it is not necessary to dwell on this aspect any further.

### 3. Summary of the Issues

3.1 It might be helpful to summarise the issues, in advance of a description of the various contentions that the parties raise.

3.2 Essentially, they are two-fold. First, does the Complainant have rights (as postulated by the Regulations) so as to sustain the Complaint? As has been dealt with in many previous adjudications – summarised, for example, by Senior Adjudicator Andre van der Merwe in ZA2017-0294 <aldoshoes.co.za> - this is simply a question of *locus standi*. The threshold here is low; the extent and quality of the rights relied upon may bear upon the question of abusiveness, but the measurements in these regards do not determine *locus standi*.

3.3 The second issue is the omnipresent sixty-four thousand dollar question: are the names abusive? At first glance, the answer is not straight-forward. What is wrong with an 'authorised' reseller of BROTHER printers and printer cartridges, indeed sourced from the authorised importer itself, from having a website with the domain name brotherprinters.co.za at which these products are offered for sale online, and/or advertised? How is this abusive?

### 4. The Complainant's Contentions

4.1 The Complainant was established in 1970, and has advertised and promoted the BROTHER products in South Africa via its website www.brother.co.za since 2001. It has expended considerable time,

effort, and money, in establishing the BROTHER brand in South Africa. As a result, as well as due to the extensive sales of BROTHER products, the mark has become known as a mark indicating goods and/or services originating from or associated with Brother Industries and the Complainant.

4.2 As a result of its relationship with Brother Industries, its domain registration (brother.co.za) and its vested rights and interest in protecting the BROTHER trade mark in South Africa, the Complainant in its capacity as a wholly-owned subsidiary and authorised importer and distributor of the owner of the this trade mark in South Africa, has established rights which extend far beyond just the trade mark registrations of the BROTHER mark in South Africa.

4.3 Therefore, the Complainant continues, it has not only statutory rights by virtue of its direct relationship with the proprietor of the BROTHER trade mark in South Africa, but also established extensive common law and commercial rights to the mark and its <brother.co.za> domain name.

4.4 The purpose of registering the disputed domain names can only be to generate website 'hits' from members of the public who incorrectly believe that the disputed domain names are linked or associated to the Complainant. (It is not stated why this would avail Mr Strakas any benefit. For example, 'hits' *per se* do not do that much; it is (at least) both bounce rate - which would likely be very high in this postulation – and session duration – which would likely be very low – which are of value, yet neither is suggested nor sustained by the Complainant.)

4.5 Next, it is contended that because the Registrant's business directly overlaps with the Complainant's, the disputed domains take unfair advantage of the Complainant's rights to the BROTHER mark and prevents the Complainant from exercising its rights in that the

Complainant is prevented from registering the disputed domain names. Some difficulties arise with these contentions, because the question of 'unfairness' is not unpacked (and, seemingly, just assumed), and also because nowhere is there the allegation that the Complainant has tried to register the disputed domains; would like to; or even *may* in terms of whatever framework it has with the Japanese proprietor of the BROTHER trade mark. It can be deduced, in my view, that the allegations are a bit exaggerated.

4.6 It is further contended that whilst Pure IoT (referred to in 2.4 above) is a reseller of inter alia certain BROTHER products, and Mr Strakas is a member of Pure IoT CC, it has no commercial rights or otherwise to the BROTHER mark, and that it is entitled to resell the products does not entitle the Registrant to make use of the BROTHER trade mark as he wishes.

4.7 Moreover, because all of the disputed domain names re-direct to the Registrant's website [www.brotherprinters.co.za](http://www.brotherprinters.co.za) evidences the fact that the Registrant intended to utilise the offending names purely to generate and redirect internet traffic by abusing and relying on the good name and extensive branding of the BROTHER mark and this gain unfair advantage.

4.8 Lastly, the domain names lead consumers and/or businesses to believe that they are registered by, operated by, or otherwise connected to the Complainant, which is not the case.

4.9 Thus, the Complainant contends, the domain names are abusive.

## **5. The Registrant's Contentions**

5.1 First, the Complainant has not provided full details of the registered trade mark rights it relies upon. In fact, the BROTHER trade mark is

registered in the name of Brother Industries Ltd, which is not the Complainant, and it is not recorded as a registered user in these entries in the register. But, anyway, as a permitted user of the marks, the use would inure to the benefit of the proprietor, not the Complainant. Therefore, the Complainant does not have common law rights to the BROTHER mark, and does not have *locus standi* on this basis. As general propositions, these are correct.

5.2 The Registrant does not claim any rights to the BROTHER trade mark, or seek to take unfair advantage of its goodwill. The Complainant has failed to show why this is the case.

5.3 The Complainant has admitted that the Registrant is entitled to resell BROTHER products, but has failed to show that the domain names lead consumers to believe that they are registered by, operated by, or otherwise connected to the Complainant.

5.4 Therefore, the Registrant uses the names in ways which are permitted by the Regulations, namely:

- Regulation 5(a)i – in connection with a good faith offering of goods;
- Regulation 5(a)iii – the Registrant has made fair use of the domain names;
- Regulation 5(b) – the domain names are used generically or in a descriptive manner, and are bona fide to indicate the intended purpose of the Registrant's, namely the sale of BROTHER printers and cartridges.

## 6. Discussion and Findings

6.1 First, the question of whether the Complainant has rights as postulated by the Regulations. In terms of Regulation 1, the term 'rights' is widely defined to include intellectual property rights,

commercial, cultural, linguistic, religious and personal rights protected under South African law but is not limited thereto. It is clear that the dispute procedures are open to parties owning not just strict trade mark rights, and embrace scenarios where an interest can be shown in issues arising from the disputed domain name. In my view, the threshold is met by a party who has been the authorised importer of certain branded merchandise for several decades, and which has a network of customers who purchase from it for on-sale into the market. Surely, that party has an interest in maintaining some integrity or standards of the marketplace within its purview as that importer, and which could be compromised by domain names the dominant part of which is that very brand name? In any event, even if this is too generous a premise, the fact that the Complainant has had its own domain brother.co.za since 2001, and which it has actively exploited for the business in which it deals accredits it with rights for the purposes of the complaint. Accordingly, I find that the Complainant has rights as contemplated by the Regulations and therefore has *locus standi* for the purposes of the complaint.

- 6.2 What of the allegation of abusiveness? The evidence does not show that the disputed domain names were registered intentionally to prevent the Complainant from registering a domain with the same name(s). Moreover, the web site accessed when using the disputed domain names, will not confuse or deceive any reasonable Internet user. The contents of the web site clearly show that the Pure IoT business is at the website, and there is no indication at all that it is associated, operated or authorized by the Complainant.
- 6.3 The problem, in my view, lies in the following conspectus. The business at the website is that of Pure IoT. The business is not named 'Brother Printers' or anything like that. It, as does Incredible Connection, Makro, Dion Wired (I use these well-known names to



illustrate; they are not extracted from the record, but this matters not) and scores of other resellers/dealers in this kind of hardware, sells BROTHER branded merchandise, and EPSON, SAMSUNG, HP and other printers and cartridges.

- 6.4 What could be the interest of Pure IoT in having domain names such as those in issue? A domain name is not a key word, or metatag used to attract visitors to a site – it is, generally speaking, an address for an online business. There is no objection to a company advertising that it sells certain merchandise in which it deals; nor, *prima facie*, to even paying for key words, in Google AdWords advertising, nor to using metatags. But Pure IoT is not doing this. It is simply using the domain names in issue to re-direct traffic to its site. Pure IoT is not saying why it does so; and with not just one domain name, but eight.
- 6.5 Now this, in itself, is not necessarily abusive. But, there are two important further considerations. One, as accepted by the UDRP panellists in Oki Data (WIPO D2001-0903) and also in mercedesshop (WIPO D2008-1712) is that the registrant must be offering the actual goods or services 'invited' by the name. All good and well so far, but the panellists also recorded that the site must be used to sell only such goods; and the potential for bait and switch was sufficient to constitute 'abuse' whether, in practice, this was effected or not. (See also One in a Million Ltd and Others v British Telecommunications PLC and Others [1999] FSR 1 CA. See also [www.nominet.org.uk/disputes/caselaw/index/million/millionjudge](http://www.nominet.org.uk/disputes/caselaw/index/million/millionjudge) where the decision is reproduced.)
- 6.6 The other consideration, in my view, is the following. The domains are registered not in the name of Pure IoT, whose business it is that deals in the BROTHER products. They are registered in the name of one of its members, Mr Strakas – he is allowing their 'use' by the close

corporation, but it is not his use, the business is not his. Mr Strakas has not said why he saw the need to register so many domains in 2011. Yet, what if Mr Strakas sells his member's share? If he falls out with other members, if others there are? What if Pure IoT closes down? What if Pure IoT stops selling BROTHER products? I appreciate that these postulates have a somewhat theoretical ring to them, but as put by Corbett CJ in Miele et Cie GmbH v Euro Electrical (Pty) Ltd 1988 (2) SA 583 (A) at 601 G-I, when interdicting a retail outlet against use of the MIELE logo on its shop front: '.....*Nothing is static in business...*'. The concern is that of a potential source of prejudice.

6.7 Lastly, it is borne in mind that 'abuse' can be present for the purposes of the Regulations, even though abuse is not intended; it is the result, the effect that is to be taken into account.

6.8 It is the above considerations which lead to the conclusion that the names in dispute are abusive as contemplated by the Regulations.

## 7. Decision

7.1 For all the foregoing reasons, the complaint is upheld. It is ordered that the domains be transferred to the Complainant.

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**OWEN SALMON SC**  
SAIPL SENIOR ADJUDICATOR  
[www.DomainDisputes.co.za](http://www.DomainDisputes.co.za)