

SOUTH AFRICA / JUDGMENT

Dayani v Talium Investments (Pty) Ltd and Others (9148/2012) [2013] ZAGPPHC 558 (26 February 2013) [2013] ZAGPPHC 558

COURT

North Gauteng High Court, Pretoria

BEFORE

De Klerk AJ

CASE / FILE NUMBER

9148/2012

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IN

THE HIGH COURT OF SOUTH AFRICA

(NORTH

GAUTENG HIGH COURT, PRETORIA)

CASE

NO: 9148/2012

DATE:

2012-11-02

26/2/2013

Reportable:

No

Of

interest to other judges: No

Revised.

In

the matter between

DAY

NI (ODED

DAYANI) Applicant

and

TALIUM

INVESTMENTS (PTY) LTD & 4

OTHERS Respondent

JUDGMENT

DE KLERK AJ: As I have indicated, I have made notes as I went through the papers, so this is the judgment in the matter of Day NI (Oded Dayani) versus Talium Investments (Pty) Limited and 4 others.

1. This is a review application arising from a dispute submitted for adjudication in accordance with the .ZA Domain name, alternate

dispute resolution regulations (the regulations) promulgated in terms of the Electronic Communications and Transactions Act (ECT Act), Act 25 of 2002 under Government Gazette Number 29405.

The dispute complied in all material ways with the provisions of the regulations read together with the South African Institute of Intellectual Property Laws supplementary procedure, when submitted for its Resolution.

2. The subject matter of the dispute was the disputed domain names, kingo.co.za and kingnumbers.co.za.
3. Having satisfied itself that all formal requirements had been met, an adjudicating panel consisting of the 2nd, 3rd, and 4th respondents requested the 5th respondent to suspend the domain name and on 15 November 2011, the 5th respondent acceded to this request and suspended the domain, pending the adjudication of the said dispute.
4. Initially the adjudicating panel had to decide whether to submit to the 1st respondent's request, not to submit its full reply to their Registrant's answering affidavit to the Registrant. It will be noted that to avoid confusion, I have used the terms "answering

affidavit" for the Registrant's "response" and "reply" for the complainant's "response" to the Registrant's response. The decision was that "unless there was a truly compelling reason not to do so, the complainant's full case must be made available to the Registrant to allow for proper response · thereto." - The complainant being the 1st respondent in today's proceedings and the Registrant being the applicant in the present proceedings.

5. In compliance with the regulations the following material was placed before the adjudicators.

5.1. The dispute (complaint) - Regulation 16(1).

5.2. The Registrant's response - Regulation 18.

5.3. The reply to the Registrant's response - Regulation 19(1).

It is to be noted that the adjudicator has a discretion to request further statements relevant to the matters mentioned in the previous

sub-paragraphs in terms of Rule Regulation 26, whilst the Regulation 29(1) obliges the adjudicators to decide the dispute in accordance

with the principles of law on the basis of the dispute, response and reply, if any, and further statements or documents submitted in terms of the Regulations.

6. It is clear from the adjudicator's decision that the documents referred to in paragraph 5 above, was properly considered (and

summarized) by the 2^d, 3rd and 4th respondents. In the first paragraph, under the heading "4") "Discussion and Findings" the following is stated: (I refer to page 88 of the papers)

"The crux of this decision is who owns 'kingo'? It is settled law that the person who has appropriated a mark for use in respect of goods or services as a trade mark, may claim to be the proprietor. Legal precedent defines "appropriation as the origination, adoption or acquisition of a mark (Victoria's Secret Incorporated v Edgars Stores Limited [1994] ZASCA 43; 1994 (3) SALR 739 (A).)"

One could- have particular regard to the passage appearing at page 752 (D

- F) of the Edgar-decision:

"Application of the Law to the

facts.

In determining which of competing claimants should prevail, the guiding principle is encapsulated in the maxim *qui prior est tempore potior est jure*: 'He has the better title who is first in point of time.' In the Moorgate judgment MR TROLLIP said: 'In a situation in which competing applications for the registration of the same or similar marks are filed in the RSA, the general Rule is that all else being equal, the application prior in point of time of filing, should prevail and be entitled to proceed to registration. In a 'quarrel' of that kind, 'blessed is he who gets his blow in first.'"

Later on and with reference to previous decisions the 2nd, 3rd and 4th respondents supply their reasons for their findings (at pages 88-91 of the papers) before arriving at their decision, which appears at page 91 of the papers.

"5) Decision.

(a) For all the foregoing reasons in accordance with Regulation 9, the panel orders that the domain names kingo.co.za and kingonumbers.co. za be transferred to the complainant."

The adjudicators also formally informed the applicant, 1st and 5th respondents in today's application of their decision in the decision notification, appearing at page 92 of the papers, together with a transcript of Regulation 30 (communication of decision to parties) and 32 (appeals). The present decision is not subject to an appeal as only the decision of a single adjudicator is subject to an 'internal' appeal.

7. In paragraph 6 of the founding affidavit, in this review application, the following is stated:.

"The 1st respondent (complainant) submitted its response as evidence by Annexure C hereto, but simultaneously requested that such response was very confidential and requested that the applicant does not view same under any circumstances, alleging it would jeopardise the 1st respondent's (complainant's) rights. This request for confidentiality was not entertained by the 2nd, 3rd and 4th respondents who made the response from the 1st respondent (complainant) available to the applicant."

The grounds of review is set out in paragraph 9 of the founding affidavit:

"9. The applicant relies upon the following grounds for this review:

9.1 It is submitted that the adjudicators, being the 2nd, 3rd and 4th respondents, erred in law and in consequence committed an irregularity having regard to the facts before them at the time of such application."

It is significant that no reasoning accompanies this paragraph.

8. Paragraph 10 to 12 of the founding affidavit purports to fortify or further the grounds of the review in that it is alleged:

8.1. That new facts were introduced in the 1st respondent's reply (without supplying any particularity thereof);

8.2. The adjudicators relied on such new facts without affording the applicant the opportunity to deal with it; (this is in stark contrast to what was said in paragraph 6, which was quoted earlier on.)

8.3. The adjudicators found that the applicant had not substantiated its allegation that the trade mark "kingo" was the concept of its employee.

8.4. That the 2nd, 3rd and 4th respondents erred in law and on the facts in finding that the 1st respondent is the proprietor of the name of Trade Mark "kingo" and was the proprietor, both before and as at the date of registration of the disputed domain names being 29 November 2010.

8.5. That the finding that the same (that is now referring to the content of paragraph 8.4 immediately above) merely adds the descriptive/generic word "numbers" to the distinctive word "kingo" is bad in law and on the

facts.

9. The 1st respondent delivered a lengthy 'answer' to paragraph 6 of the founding affidavit to which there was no reply by the applicant. Paragraphs 18.4 and 18.8 of the answering affidavit is of particular significance:

"18.4 Once appointed the adjudicators, (the 2nd, 3rd and 4th respondents) considered the request and confirmed that in light of the fact that the Registrant had requested a copy of the reply, the adjudicators could not agree to the complainant's request that the document not be disclosed to the Registrant.

18.8 In addition, the 1st respondent (sic! applicant) did not seek leave from the adjudicators to contradict, or otherwise dispute what was stated in the reply. I respectfully aver that the adjudicators acted quite properly in considering the reply, which is in essence a rebuttal of the applicant's case, (supported by documents) that it is the proprietor of the trade mark "kingo" entitling it to have registered the domain name "kingo.co.za."

10. Only in the reply the applicant supplies particularity as to its grounds of review when it states in paragraph 3 at page 114 to the extent that PAJA might apply to these proceedings, the application is brought in terms of sub-section 6(2)(b), 6(2)(c), 6(2)(d) and 6(2)(e)(iii) and (vi)."
11. An important point is made by the 1st respondent in paragraph 23.9 at page 105 of the answering affidavit:

"I also draw this Court's attention to the fact that the applicant was represented by an attorney in the domain name dispute which attorney is also the deponent to the applicant's founding affidavit. The attorney was provided with a copy of the reply filed by the 1st respondent (complainant's) and could have, on behalf of the applicant, raised an objection to any new evidence submitted by the 1st respondent at that point in time. Alternatively have requested that the applicant be afforded an opportunity to respond to the 1st respondent's (complainant's) reply. The applicants, for reasons that are unexplained, did not do so."

Again there is no reply by the applicant to this statement of the 1st respondent. All that appears in the replying affidavit, is a denial of allegations which are not specifically dealt with and it is inconceivable in view of paragraph 1 of the founding affidavit, where the deponent qualifies himself or describes himself as an attorney, that such a statement, as in paragraph 23.9 is just generally denied.

12. The applicant's deponent to both the founding affidavit and the replying affidavit has referred to Regulation 29(1), as was done in paragraph 5 of this judgment. One of the trite principles of law is that a respondent can apply to Court to be allowed to duplicate (respond) to an applicant's replying affidavit especially where it is alleged that it includes clearly indicated new material. There is no obligation on a Court or the adjudicators to request a litigant to duplicate. Regulation 26 confers a discretion on an adjudicator to request further statements.

13. It is trite law that an applicant bears an onus to prove his cause of action and that it is for a respondent to rebut that. The fact that no statement was requested by the adjudicators, does not amount to an improper exercise of discretion. The adjudicators were aware that the applicant in casu was legally represented and that the legal representative, would advise his client, both in terms of the regulations and the general principles of law. If not, then the remarks by STEYN CJ, in *Saloojee vs The Minister of Community Development* 1965 (2) SA 135 (AD) at page 141 may become relevant where it was stated;

"There is a limit beyond which a litigant cannot escape the results of his attorney's lack of diligence or the insufficiency of any explanation tendered ... The attorney, after all, is the representative whom the litigant has chosen for himself and there is little reason why, in regard to condonation, for example, of a failure to comply with a rule of Court, the litigant should be absolved from the normal consequences of such a relationship, no matter what the consequences of the failure are. And lastly... if he relies upon the ineptitude or remissness of his own attorney, he should at least explain that none of it is to be imputed to himself."

14. As far as paragraph 8.1 above (dealing with the alleged introduction of new evidence by the 1st respondent, in its reply before the adjudicators) is concerned, it is apposite to have regard to the applicant's answer before the adjudicators, especially paragraph 8.1.2.1, 8.1.2.2 and 8.1.2.4 thereof. I am not going to quote them, simply to mention that it smacks of a lack of detail. It is for example never mentioned at what time the content of these paragraphs occurred. As can be seen the content of these paragraphs are vague as regards time and should have been specific, especially in view of the maxim *prior est tempore potior est jure*.

The 1st respondent supplied its "commit" to indicate that its right to the trademark "kingo" antedates the applicant's right. It was not for the adjudicators to advise the applicant to respond to this, but for the attorney who was supposed to be *au fait* with both the regulations and ordinary motion court practice and procedure. As unspecific and vague is paragraph 5 of the replying affidavit in the instant application. I refer to page 115 of the papers.

"In accordance with these regulations, and in accordance with the Rules of procedure as developed in our courts, they ought either to have disregarded the new facts, and allegations set out in the 1st respondent's response, or at the very least to have afforded the applicant an opportunity of responding thereto before making their decision, but failed to do so."

It must be remembered what has been said in this judgment already about requesting the 1st respondent's reply in the complaint proceedings in the founding affidavit, for example, itself.

The new facts in the quote which I have just quoted are not in any particularity. It cannot come as a surprise that the adjudicators

eventually found that the applicant did not substantiate its allegations (as referred to in paragraph 8.4 of this judgment). The

adjudicators had regard to the applicable legal principles by referring to previous decided case law as well as previous decided

complaints. The applicant advanced no reasons in its founding affidavit why the finding (the 2nd sentence of paragraph 12 at page 6 of the papers) is bad in law and on the facts. On the facts of this case, the reasonable man would immediately associate "kingonumbers" with "kingo". The last sentence of paragraph 12 of the founding affidavit applies equally to the present applicant and its deponent actually knows that. The last sentence reads as follows:

"It is trite law, with respect, that an application stands or falls on the case made out in the founding affidavit."

15. Can it be found of the adjudicators that:

15.1. They did not comply with a mandatory and material procedure or condition prescribed by their regulations? Or

15.2. Their handling of the dispute was procedurally unfair? Or

15.3. Their decision was materially influenced by an error of law? Or

15.4. They took irrelevant considerations into account and did not consider relevant considerations? Or lastly

15.5. They acted arbitrarily or capriciously?

In my view the answer to all five the above questions must be in the negative, having regard to the following:

- (a) The applicable regulations;
- (b) The adjudicators' consideration of the evidence before them, keeping in mind that the present applicant was legally represented;
- (c) The applicable legal principles;
- (d) The adjudicators' reasons for their decision;
- (e) The case made out in the founding affidavit as well as the answer and reply thereto.

16. The relief claimed in the notice of motion is as follows:

"16.1 Reviewing, correcting and setting aside the decision of the 2nd, 3rd and 4th respondents as reflected in a document styled Adjudicator Decision delivered on 3 February 2012;

16.2 Declaring that the Decision of the 2nd, 3rd and 4th respondents referred to in paragraph 1 above to be inconsistent and invalid."

Coupled with this relief the following order as to costs is prayed for:

"4. That the costs are to be paid by the 1st, 2nd, 3rd and/or 4th respondents to the extent that any of the said respondents oppose this application."

It needs to be mentioned at this stage that not one of the other respondents, apart from the 1st respondent did oppose the application."

17. In my view no case is made out on the papers to justify granting of the order prayed for by the applicant. The argument presented today on behalf of the applicant was termed by Mr Morley as trial-by-ambush. The reason being that the fact that the present applicant did not have the opportunity to reply to the present 1st respondent's reply in the complaint, is inexcusable. I have alerted to the founding affidavit and I have been referred to e-mails, but nothing is said about the fact in either the founding affidavit or in the heads of argument on behalf of the applicant, which I must say was filed by different Counsel from the Counsel appearing in today's application.

The point raised by Mr Roux today, appears nowhere in the papers and therefore cannot be entertained.

18. The matter is of considerable importance not only to the applicant but also to the 1st respondent. In my view, employment of Senior Counsel by the 1st respondent was a well considered and wise decision and the Court is indebted to Mr Morley for his comprehensive heads of argument.

19. The order I make is the following:

ORDER

The application is dismissed with costs, such costs to include the costs of the employment of Senior Counsel.

MR ROUX: As Your Lordship pleases.

MR MORLEY: As your Lordship pleases.

COURT ADJOURNS.

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