

ADMINISTRATIVE PANEL DECISION

Philip Morris Products S.A. v. Domains By Proxy, LLC / \u5049Li Li, Xin Li
Feng You Xian Gong Si
Case No. D2022-1886

1. The Parties

The Complainant is Philip Morris Products S.A., Switzerland, represented by D.M. Kisch Inc., South Africa.

The Respondent is Domains By Proxy, LLC, United States of America / \u5049Li Li, Xin Li Feng You Xian Gong Si, Taiwan Province of China.

2. The Domain Names and Registrar

The disputed domain names <iqos-vape.com>, <iqosvapestore.com>, <iqosleme.com>, and <iqosrelx.com> are registered with GoDaddy.com, LLC (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 25, 2022. On May 25, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain names. On May 26, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain names which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainant on May 27, 2022, providing the registrant and contact information disclosed by the Registrar, and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amended Complaint on May 30, 2022.

The Center verified that the Complaint together with the amended Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on May 31, 2022. In accordance with the Rules, paragraph 5, the due date for Response was June 20, 2022. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on June 21, 2022. On June 21, 2022, the Center received an email communication in Chinese from the registrant’s email address provided by the Registrar, sent on

behalf of the Respondent.

The Center appointed Francine Tan as the sole panelist in this matter on June 24, 2022. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

4. Factual Background

The Complainant, Philip Morris Products S.A., is part of the group of companies affiliated to Philip Morris International Inc. ("PMI"), a leading international tobacco and smoke-free products company with products sold in approximately 180 countries.

The Complainant states that PMI has developed a number of Reduced Risk Products ("RRPs") which are products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to RRP's versus continued smoking. One of the RRP's developed and sold by PMI is a tobacco-heating system called IQOS. IQOS is a precisely-controlled heating device into which specially-designed tobacco sticks under the brand names HEETS, HeatSticks, or TEREAs are inserted and heated to generate a flavourful nicotine-containing aerosol (collectively referred to as the "IQOS System"). There are five versions of the IQOS heating device currently available: the IQOS 2.4/IQOS 2.4+ pocket charger and holder, IQOS 3 pocket charger and holder, IQOS 3 Multi device, IQOS 3 DUO/DUOS, and IQOS ILUMA. The IQOS System was first launched by PMI in Nagoya, Japan in 2014 and has obtained a 20% share of the market in Japan. Today, the IQOS System is available in key cities in around 71 markets across the world. As a result of an investment of over USD 9 billion into the science and research of developing smoke-free products and extensive international sales, the IQOS System has achieved considerable international success and reputation, and approximately 19.1 million consumers using the IQOS System worldwide. To date, the IQOS System has been almost exclusively distributed through PMI's official IQOS stores and websites and selected authorized distributors and retailers.

The Complainant owns a large portfolio of well-known trade marks, including but not limited to the following:

- Taiwan Province of China Trademark Registration No. 01718976 for IQOS, registered on July 16, 2015;
- Taiwan Province of China Trademark Registration No. 01921980 for IQOS, registered on June 16, 2018; and
- China Trademark Registration No. 16314286 for IQOS, registered on May 14, 2016.

The disputed domain names <iqosvapestore.com>, <iqosrelx.com>, and <iqosleme.com> were registered on March 8, 2022, and the disputed domain name <iqos-vape.com> was registered on March 13, 2022. The disputed domain names resolve to active websites offering for sale competing third-party tobacco products and other products of other commercial origin.

5. Parties' Contentions

A. Complainant

1. The disputed domain names are confusingly similar to the Complainant's IQOS trade mark in which it has rights. The IQOS mark is recognizable in the disputed domain names as the trade mark is incorporated in its entirety therein.

The words "relx" and "leme" appear to be third-party brand names. A domain name is confusingly similar to a trade mark, when the domain name includes the trade mark, or a confusingly similar approximation regardless of the other terms in the domain name. In this case therefore, the addition of the respective descriptive and/or other words "-vape", "vapestore", "relx", and "leme" do not prevent a finding of confusing

similarity. The visual representation that the disputed domain names are associated with the Complainant's IQOS trade mark or that the disputed domain names are used for a form of co-operative venture between the Complainant and the owner of the third-party brands for "relx" and "leme" is not eliminated by the addition of the other words to the word "iqos" in the disputed domain names.

2. The Respondent has no rights or legitimate interests in respect of the disputed domain names. The Complainant has not licensed or otherwise permitted the Respondent to use any of its trade marks or to register a disputed domain name incorporating its IQOS trade mark. The Respondent is not making a legitimate noncommercial or fair use of the disputed domain names. The Respondent's behaviour shows a clear intent to obtain an unfair commercial gain, with a view to misleadingly diverting consumers or to tarnish the Complainant's trade marks. The Respondent is not an authorized distributor or reseller of the IQOS System. The disputed domain names resolve to websites from which competing tobacco products and/or accessories of other commercial origin are offered for sale.

There is no evidence of a *bona fide* offering of goods or services under the test established in *Oki Data Americas, Inc. v ASD, Inc.*, WIPO Case No. [D2001-0903](#) (the "*Oki Data Test*").

In the present case, the Respondent is only offering competing tobacco products and accessories of other commercial origin. Such manner of use is insufficient to establish a legitimate interest in the form of *bona fide* offering of goods. The use of a domain name cannot be "fair" if it suggests an affiliation with the trade mark owner. In this case, the disputed domain names suggest at least an affiliation with the Complainant and its IQOS trade mark: the disputed domain names <iqosvape.com> and <iqosvapestore.com> wholly reproduce the Complainant's registered IQOS trade mark together with the descriptive words, "vape" and "vape store", respectively; and the disputed domain names <iqosrelx.com> and <iqosleme.com> wholly reproduce the Complainant's registered IQOS trade mark together with third-party brand names, "relx" and "leme", respectively.

The Respondent's websites to which the disputed domain names resolve do not include information regarding the true identity of the provider of the websites, which is only identified as "HC CLUB" on the websites. In addition, the Respondent is offering competing heated tobacco products and/or accessories of other commercial origins, which does not constitute legitimate interest in the form of a *bona fide* offering of goods. As the Complainant's IQOS System is primarily distributed through official or endorsed stores, Internet users or relevant consumers would be misled as to the relationship between the owner of the said websites and the Complainant and will mistakenly believe that the said websites are official or those of endorsed distributors of the Complainant. Moreover, the Complainant does not currently offer its IQOS System for sale in Taiwan Province of China and the online shops displaying goods for sale under the Taiwan Province of China "NT\$" currency under the disputed domain names create the false impression that the Complainant has officially introduced the IQOS System into the Taiwan Province of China market. Such use of the disputed domain names cannot be considered a *bona fide* offering of goods and does not establish a legitimate interest on behalf of the Respondent.

3. The disputed domain names have been registered and used in bad faith. It is evident from the Respondent's use of the disputed domain names that the Respondent knew of the Complainant's IQOS trade mark when registering the disputed domain names. The unique term "iqos" is invented and not commonly used to refer to tobacco products or electronic devices. It is therefore not conceivable that the Respondent chose the disputed domain names without the intention of invoking a misleading association with the Complainant. It is also evident that the Respondent registered and used the disputed domain names with the intention to attract, for commercial gain, Internet users to its websites by creating a likelihood of confusion with the Complainant's registered IQOS trade mark as to the source, sponsorship, affiliation, or endorsement of its websites or location or of a product or service on its website or location. The Respondent's registrations are abusive, as they use the Complainant's IQOS trade mark for the purpose of offering for sale competing and third-party products of other commercial origin constitutes trade mark infringement and is clear evidence of the Respondent's bad faith. Lastly, the fact that the Respondent used a privacy protection service to hide its true identity may constitute a factor indicating bad faith under the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("[WIPO Overview 3.0](#)"), paragraph 3.6.

B. Respondent

The Respondent did not file a formal Response to the Complainant's contentions. Nevertheless, on June 21, 2022, the day after the due date for the filing of the Response, the Center received an email in Chinese from an individual stating, *inter alia*, that he is an outsourced online marketing staff member which purchased the domain names on behalf of another entity, which in the context of the email can be understood to be a reference to the Respondent. He added that he can suggest to the third party to remove the URL. He also requested the Center to communicate in Chinese.

6. Discussion and Findings

6.1 Preliminary Issue: Language of Proceeding

Paragraph 11(a) of the Rules provides that in the absence of an agreement between the parties, or unless specified otherwise in the Registration Agreement, the language of the administrative proceeding shall be the language of the Registration Agreement. Pursuant to the Registrar's verification response dated May 26, 2022, the language of the Registration Agreement for the disputed domain names is English. The Panel is conversant in both Chinese and English, and although it was received a day after the due date for the filing of the Response, it has considered the said email communication of June 21, 2022. However, in the circumstances, noting in particular the language of the Registration Agreement, apart from the language of the disputed domain names, which is essentially English, the Panel determines that English should be the language of the proceeding, and it therefore renders this Decision in English.

6.2 Substitutive Issue

A. Identical or Confusingly Similar

The Complainant has established it has rights in the IQOS trade mark. The Panel agrees that the addition of the terms "-vape" and "vapestore" in the first two disputed domain names do not prevent a finding of confusing similarity with the Complainant's trade mark. The inclusion of the words "relx" and "leme" (apparently third-party brands), in the third and fourth disputed domain names, do not prevent a finding of confusing similarity. The distinctive IQOS trade mark is the first word which appears in each of the disputed domain names. It is identifiable and stands out in the disputed domain names. The generic Top-Level Domain ("gTLD") ".com" is a technical requirement for domain name registrations and does not have any impact on the issue of the identity or confusing similarity between the disputed domain names and the Complainant's trade mark.

The Panel accordingly finds that the first element of paragraph 4(a) of the Policy has been satisfied.

B. Rights or Legitimate Interests

The Panel finds that the Complainant has established a *prima facie* case that the Respondent has no rights or legitimate interests in the disputed domain names. The Complainant's extensive use and registrations of the IQOS trade mark long predate the registration dates of the disputed domain names. The Complainant did not license nor authorize the Respondent to use the mark IQOS as a trade mark or in a domain name. The Respondent is not an unauthorized reseller of the Complainant or of PMI. Neither is there evidence that the Respondent is commonly known by the name "iqos", "iqosleme", "iqosrelx", "iqos-vape", or "iqosvapestore". The use of the disputed domain names which incorporate the Complainant's well-known trade mark for the sale of competing tobacco products and RRP's does not constitute a legitimate noncommercial or fair use of the disputed domain names within the meaning of paragraph 4(c)(iii) of the Policy. The Panel is persuaded that the disputed domain names were deliberately chosen by the Respondent with the intention to target the well-known IQOS trade mark and thereby create confusion and/or convey an impression of an affiliation between the Respondent's websites and the Complainant.

Having established a *prima facie* case, the burden of production shifts to the Respondent to show that it has rights or legitimate interests in the disputed domain names. Although the Respondent sent an email communication to the Center, the Panel notes that it was sent one day after the Response deadline and the Respondent did not file a formal Response to respond to or rebut the Complainant's assertions. In any event, the Panel takes note of the fact that the email received by the Center does not contain any claim made by the Respondent or on behalf of the Respondent, that the Respondent has rights or legitimate interests in the disputed domain names. In fact, the email from the sender indicates that he could suggest for the Respondent to cease using the disputed domain names.

In the circumstances, the Panel concludes that the Respondent has no rights or legitimate interests in the disputed domain names.

The Panel therefore finds that the second element of paragraph 4(a) of the Policy has been satisfied.

C. Registered and Used in Bad Faith

The circumstances of this case show clear evidence that the Respondent targeted the Complainant and its IQOS trade mark. There is no other reason for the Respondent to have registered the disputed domain names since it does not appear to be known by the name "iqos", or to possess trade mark rights in the term, except to ride off the reputation and goodwill in the Complainant's IQOS trade mark and to create confusion with the Complainant's trade mark and business. The "mere registration of a domain name that is identical or confusingly similar (particularly domain names comprising typos or incorporating the mark plus a descriptive term) to a famous or widely-known trademark by an unaffiliated entity can by itself create a presumption of bad faith" (see section 3.1.4 of the [WIPO Overview 3.0](#)). The Panel also draws an adverse inference of bad faith from the Respondent's use of a privacy service to mask its identity in relation to the disputed domain names. Moreover, the use of the disputed domain names which are confusingly similar to the Complainant's IQOS trade mark to offer competing goods shows the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its websites by creating a likelihood of confusion with the Complainant's IQOS trade mark within the meaning of paragraph 4(b)(iv) of the Policy.

Taking into account the absence of rights or legitimate interests in the disputed domain names, the Panel concludes that the Respondent has registered and is using the disputed domain names in bad faith.

The Panel therefore finds that the third element of paragraph 4(a) of the Policy has been satisfied.

7. Decision

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain names, <iqos-vape.com>, <iqosvapestore.com>, <iqosleme.com>, and <iqosrelx.com>, be transferred to the Complainant.

/Francine Tan/

Francine Tan

Sole Panelist

Date: July 5, 2022