

ADMINISTRATIVE PANEL DECISION

Philip Morris Products S.A. v. Andrey Kharchin, HeetsUsa
Case No. D2022-4583

1. The Parties

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

The Respondent is Andrey Kharchin, HeetsUsa, United States of America ("United States").

2. The Domain Name and Registrar

The disputed domain name <sticksiqos.com> is registered with GoDaddy.com, LLC (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on December 1, 2022. On December 1, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On December 1, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain name which differed from the named Respondent (Registration Private, Domains By Proxy, LLC) and contact information in the Complaint. The Center sent an email communication to the Complainant on December 6, 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 December 7, 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 December 8, 2022. In accordance with the Rules, paragraph 5, the due date for Response was December 28, 2022. The Respondent did not submit any response. Accordingly, the Center notified the Respondent's default on December 30, 2022.

The Center appointed Reyes Campello Estebaranz as the sole panelist in this matter on January 6, 2023. 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 is part of an international group of companies affiliated to Philip Morris International Inc., which is an international tobacco company, with products sold in approximately 180 countries, and a large brand portfolio including the globally well-known trademark MARLBORO. The Complainant and its group have developed various products to substitute combustible cigarettes, one of them identified by the trademark IQOS, which was launched in Japan in 2014, and now is sold in 71 markets across the world. The product identified by the mark IQOS is a controlled heating device, collectively referred as “IQOS” or “IQOS System”, consisting of a pocket charger specially designed to charge a specific holder, into which specially designed tobacco products identified by the marks HEETS, HEAT STICKS, or TEREA are inserted and heated to generate a flavored nicotine-containing aerosol.

The Complainant holds a large portfolio of registered trademark rights in the mark IQOS and in the mark HEETS in many jurisdictions, denominative or with a specific graphic representation, including:

- United States Registration No. 4763090, IQOS, word, registered on June 30, 2015;
- United States Registration No. 4763088, IQOS, figurative, registered on June 30, 2015;
- International Registration No. 1338099, IQOS, figurative, registered on November 22, 2016,¹
- United States Registration No. 5860364, HEETS, word, registered on September 17, 2019;
- United States Registration No. 5238861, HEETS, figurative, registered on June 30, 2015; and
- International Registration No. 1326410, HEETS, word, registered on July 19, 2016,² (collectively the “IQOS mark” and the “HEETS mark”).

Prior UDRP decisions under the Policy have recognized the international well-known character of the IQOS mark,³ and the HEETS mark.⁴

The Complainant further owns various registered trademarks related to other marks and logos, including International Registration No. 1343294, THIS CHANGES EVERYTHING, word, registered on December 12, 2016.

The disputed domain name was registered on October 17, 2022, and it resolves to online shop in English language allegedly offering and selling the Complainant’s IQOS System products. This website indicates the

¹ International Registration No. 1338099, IQOS, designates the following jurisdictions: Albania, Algeria, Armenia, Australia, Azerbaijan, Bosnia and Herzegovina, Bahrain, Belarus, China, Colombia, Egypt, European Union, Georgia, Israel, India, Iceland, Japan, Republic of Korea, Kazakhstan, Morocco, Monaco, Montenegro, Mexico, Norway, New Zealand, Oman, Philippines, Russian Federation, Serbia, Singapore, Turkey, Ukraine, and United States.

² International Registration No. 1326410, HEETS, designates the following jurisdictions: African Intellectual Property Organization, Bosnia and Herzegovina, Botswana, China, Colombia, Curaçao, Egypt, European Union, Georgia, India, Iceland, Israel, Japan, Kenya, Kyrgyzstan, Liechtenstein, Morocco, Mexico, Monaco, Montenegro, Mozambique, New Zealand, North Macedonia, Norway, Philippines, Republic of Korea, Republic of Moldova, Russian Federation, Serbia, Singapore, Oman, Turkmenistan, Turkey, Ukraine, United States, Uzbekistan, and Vietnam.

³ See, *inter alia*, *Philip Morris Products S.A. v. 杨英子 (yingzi0412)*, WIPO Case No. [D2020-2600](#); *Philip Morris Products S.A. v. Маханьков Михаил Владимирович / Makhankov Mikhail*, WIPO Case No. [D2020-2793](#); *Philip Morris Products S.A. v. 深圳市云熙智能科技有限公司 (shen zhen shi yun xi zhi neng you xian gong si)*, WIPO Case No. [D2021-1538](#); and *Philip Morris Products S.A. v. Chenyi Zhao, 瑪爾有限公司*, WIPO Case No. [D2020-2193](#).

⁴ See, among others, *Philip Morris Products S.A. v. Stepan Malik (S.M.), Heets Store*, WIPO Case No. [D2020-2967](#); *Philip Morris Products S.A. v. Whois Agent, Domain Protection Services, Inc., Heets Delivery / Mohammad Khawaldeh*, WIPO Case No. [D2020-2795](#); *Philip Morris Products S.A. v. Whois Privacy Protection Service / Vitalij Solomin*, WIPO Case No. [D2019-2103](#); and *Philip Morris Products S.A. v. Anatoliy Harin, heets-shop.online*, WIPO Case No. [D2020-2400](#).

prices in USD currency, and informs, “We are the FASTEST USA third party suppliers of heat-not-burn products. It means that we ship to USA only”, including other phrases related to the United States market, such as “ORIGINAL HEATSTICKS & DEVICES IN USA”, “IQOS HEETS Shop Online in USA”, and “Buy Heatsticks In USA From IQOS Shop Online”. This site further includes the marks HEETS and THIS CHANGES EVERYTHING at its heading, as well as the HEETS mark and one of the Complainant’s registered logos within its tab interface, and various Complainant’s official images in its content, while providing a copyright notice at the bottom of the website claiming copyright in the material presented on the site. This website does not show any details regarding the owner of the disputed domain name or the provider of the site and, at the very bottom, before the copyright notice, includes the following phrase:

“All product and company names are trademarks or registered trademarks of their respective holders. Use of them does not imply any affiliation with or endorsement by them. ‘IQOS’, ‘Marlboro’, and ‘Heatsticks’ are registered trademarks of PMI (Phillip Morris International Inc.) in the United States and/or other countries. This site is not endorsed nor affiliated with PMI (Phillip Morris International Inc.). This site is not endorsed nor affiliated with BAT (British American Tobacco).”

5. Parties’ Contentions

A. Complainant

Key contentions of the Complaint may be summarized as follows:

Through its intensive use and promotion, with over USD 9 billion investment, the trademark IQOS has achieved considerable international reputation with approximately 19.1 million relevant consumers. The IQOS System is almost exclusively distributed through the Complainant’s IQOS stores and websites, as well as selected authorized distributors and retailers.

The disputed domain name is confusingly similar to the IQOS mark. The disputed domain name reproduces the IQOS mark in its entirety adding a term (“sticks”), which is insufficient in itself to avoid a finding of confusing similarity, and the applicable generic Top-Level-Domain (“gTLD”) “.com”, which is considered a standard registration requirement and as such is disregarded under the first element confusing similarity test. Any Internet user when visiting a website provided under the disputed domain name will reasonably expect to find a site commercially linked to the owner of the IQOS mark. This unlawful association is enhanced by the use of the Complainant’s official product images and its trademarks in the content of the site associated to the disputed domain name.

The Respondent lacks any rights or legitimate interests in the disputed domain name. The Complainant has not licensed or otherwise permitted the Respondent to use the IQOS mark, and the Respondent is not making a legitimate noncommercial or fair use of the disputed domain name. The Respondent’s behavior shows a clear intent to obtain an unfair commercial gain, with a view to misleadingly diverting consumers or to tarnish the Complainant’s trademarks. The Respondent is not an authorized distributor or reseller of the IQOS System, and the website provided under the disputed domain name does not meet the requirements set out by *Okidata Americas, Inc. v. ASD, Inc.*, WIPO Case No. [D2001-0903](#) and numerous panel decisions for a *bona fide* offering of goods. The disputed domain name in itself suggests an affiliation with the Complainant and its trademark, and the content of the site associated to the disputed domain name further supports this false impression. The disclaimer offered at the bottom of this site is not presented in a clear and sufficiently prominent manner. As this disclaimer is at the bottom of the landing page, it is likely that users will order products in the online store without scrolling all the way to the end of the page and/or without noticing the disclaimer. Furthermore, this disclaimer is inaccurate; it does not correctly identify the owners of the IQOS and HEETS marks and their lack of relationship to the Respondent. The Complainant is not certain whether the products offered through the Respondent’s site are genuine, but the illegitimacy of this site is shown by the fact that the Complainant has not yet been authorized by the competent authorities to sale its HEETS products and IQOS Multi devices and HEETS branded sticks in the United States. This site creates the false impression that the Complainant has introduced these products into the United States –

which it has not.

The disputed domain name was registered and is being used in bad faith. The use of the disputed domain name clearly reveals that the Respondent knew of the Complainant and its trademarks when registering the disputed domain name. The term “iqos” is purely imaginative and not commonly used to refer to tobacco products or electronic devices, and the Respondent started offering the Complainant’s IQOS System products immediately after registering the disputed domain name. The Respondent registered and uses the disputed domain name with the intention to attract, for commercial gain, Internet users to its website by creating a likelihood of confusion with the Complainant and its trademarks. The Respondent seeks to generate confusion and affiliation with the content of its website, using the Complainant’s trademarks and logos, as well as the Complainant’s official product images accompanied by a copyright notice claiming the copyright for the website and its contents. The selling without authorization the Complainant’s products in the United States is an illegal activity, and the use of a privacy protection service is a further indication of the Respondent’s bad faith.

The Complainant has cited previous decisions under the Policy as well as various sections of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, (“[WIPO Overview 3.0](#)”) that it considers supportive of its position, and requests the transfer of the disputed domain name.

B. Respondent

The Respondent did not reply to the Complainant’s contentions.

6. Discussion and Findings

The Complainant has made the relevant assertions as required by the Policy and the dispute is properly within the scope of the Policy. The Panel has authority to decide the dispute examining the three elements in paragraph 4(a) of the Policy, taking into consideration all of the relevant evidence, annexed material and allegations, and performing some limited independent research under the general powers of the Panel articulated, *inter alia*, in paragraph 10 of the Rules.

A. Identical or Confusingly Similar

The Complainant indisputably has rights in the registered trademark IQOS, both by virtue of its trademark registrations and as a result of its global goodwill and reputation.

The disputed domain name incorporates this trademark in its entirety preceded by the term “sticks”, which do not avoid a finding of confusing similarity. The IQOS mark is recognizable in the disputed domain name, and the gTLD “.com” is a technical requirement, generally disregarded for the purpose of the analysis of the confusing similarity under the Policy. See sections 1.7, 1.8, and 1.11.1 of [WIPO Overview 3.0](#).

Accordingly, this Panel finds that the disputed domain name is confusingly similar to the Complainant’s trademark, and the first element of the Policy under paragraph 4(a)(i) has been satisfied.

B. Rights or Legitimate Interests

Although the Complainant bears the ultimate burden of establishing all three elements of paragraph 4(a) of the Policy, UDRP panels have recognized that this could result in the often impossible task of proving a negative, requiring information that is primarily if not exclusively within the Respondent’s knowledge. Thus, the consensus view is that paragraph 4(c) of the Policy shifts to the Respondent the burden of production to come forward with relevant evidence of rights or legitimate interests in the disputed domain name, once the Complainant has made a *prima facie* case that the Respondent lacks rights or legitimate interests.

The applicable standard of proof in UDRP cases is the “balance of probabilities” or “preponderance of the evidence”, being the Panel prepared to draw certain inferences in light of the particular facts and circumstances of the case. See section 4.2, [WIPO Overview 3.0](#).

The Complainant’s assertions and evidence effectively shift the burden to the Respondent of producing evidence of rights or legitimate interests in the disputed domain name, providing the circumstances of paragraph 4(c) of the Policy, without limitation, in order to rebut the Complainant’s *prima facie* case. However, the Respondent has not replied to the Complainant’s contentions, not providing any explanation and evidence of rights or legitimate interests in the disputed domain name.

Resellers or distributors using a domain name containing the complainant’s trademark to undertake sales related to the complainant’s goods or services may be making a *bona fide* offering of goods and services and thus have a right or legitimate interest in such domain name, if the following cumulative requirements are met:

- (i) the respondent must actually be offering the goods or services at issue;
- (ii) the respondent must use the site to sell only the trademarked goods or services;
- (iii) the site must accurately and prominently disclose the registrant’s relationship with the trademark holder; and
- (iv) the respondent must not try to “corner the market” in domain names that reflect the trademark.

The analysis of these requirements is commonly known as the “Okidata test” (referring to *Okidata Americas, Inc. v. ASD, Inc.*, *supra*). See section 2.8, [WIPO Overview 3.0](#).

However, the Panel finds that these cumulative requirements are not met in this case. In this respect, the Panel notes that the disputed domain name is linked to a website that commercializes alleged IQOS System products not disclosing the lack of relationship with the Complainant and its trademarks. Rather, the Panel further notes that the content of this website suggests an affiliation with the Complainant and its trademarks: i) including the HEETS mark (with the same graphic representation used and registered by the Complainant) as well as one of the Complainant’s logos, at its heading and within its tab interface, common locations for the indications related to the website provider or the origin of the site; and ii) including various official images of the Complainant’s products, claiming copyright in this material.

Furthermore, the disputed domain name incorporates the IQOS mark preceded by a term (“sticks”) that also may point to the Complainant and its IQOS System products, which consist of a pocket charger specially designed to charge a specific holder, into which specially designed tobacco products in the form of sticks are inserted and heated to generate an aerosol.

The Panel, under its general powers articulated *inter alia* in paragraph 10 of the Rules, has further consulted the Complainant’s official website at “www.iqos.com”, and notes that the Respondent’s site imitates the Complainant’s website look and feel, using a similar design and combination of colors. The Panel further notes that the Respondent’s website includes references to the “original” nature of the offered products, and indications such as “explore our product” together with information related to the Complainant’s IQOS System products. Circumstances that may contribute, in the Panel’s view, to generate a risk of confusion and association, giving the impression that the Respondent is affiliated to the Complainant or one of its official distributors/retailers.

The Panel further notes that the Respondent’s site includes a disclaimer, which, according to the Complainant’s allegations, is inaccurate, and is placed at the very bottom of the site, before the copyright notice, and, therefore, may go unnoticed by the Internet users visiting the site.

All these circumstances lead the Panel to consider that the Respondent's use of the disputed domain name cannot be considered a *bona fide* offering of goods under the Policy.

It is further to be noted that, according to the Complainant's allegations, it has not yet obtained authorization for the commercialization in the United States of some of the products included in the Respondent's online shop, and this site is directed specifically to this country. In this respect, the Panel notes that the Respondent's site provides all its prices in USD, and includes expressions such as: "We are the FASTEST USA third party suppliers of heat-not-burn products, it means that we ship to USA only", "ORIGINAL HEATSTICKS & DEVICES IN USA", "IQOS HEETS Shop Online in USA", and "Buy Heatsticks In USA From IQOS Shop Online". Therefore, the commercialization without authorization of these products in the United States market may constitute an illegal activity, which can never confer rights or legitimate interests under the Policy. See section 2.13, [WIPO Overview 3.0](#).

It is further remarkable that the Respondent has not replied to the Complaint, not providing any explanation connected to any of the circumstances included in paragraph 4(c) of the Policy or any other circumstance that may be considered as a right or legitimate interest in the disputed domain name.

All the above-mentioned circumstances lead the Panel to conclude that the Respondent has not produced evidence to rebut the Complainant's *prima facie* case, and lacks any rights or legitimate interests in the disputed domain name. Therefore, the second element of the Policy under paragraph 4(a)(ii) has been established.

C. Registered and Used in Bad Faith

The Policy, paragraph 4(a)(iii), requires that the Complainant establish that the disputed domain name has been registered and is being used in bad faith.

The applicable standard of proof is, likewise, the "balance of probabilities" or "preponderance of the evidence", being the Panel prepared to draw certain inferences in light of the particular facts and circumstances of the case. See section 4.2, [WIPO Overview 3.0](#).

The Panel considers that all cumulative circumstances of this case point to bad faith registration and use of the disputed domain name:

- (i) the IQOS mark is well known and internationally used, including in the United States where the Respondent is located according to the Registrar verification;
- (ii) the disputed domain name incorporates the IQOS mark preceded by a term ("sticks") related to the Complainant's products that may contribute to generate a risk of confusion or implied association, creating the impression that the disputed domain name is affiliated to the Complainant or one of its online distributors/retailers;
- (iii) the website linked to the disputed domain name includes prominently the HEETS mark (with the same graphic representation used and registered by the Complainant) and one of the Complainant's registered logos at its heading and within its tap interface, as well as various official product images of the Complainant's products, claiming copyright on this material;
- (iv) the commercialization in the United States of some of the Complainant's products included in the Respondent's site has not yet been authorized by the competent authorities, and this site is directed specifically to this market, which may constitute an illegal activity; and
- (v) the Respondent has not offered any explanation of any rights or legitimate interests in the disputed domain name and has not come forward to deny the Complainant's assertions of bad faith, choosing not to reply to the Complaint.

Therefore, on the balance of probabilities, taking into consideration all cumulative circumstances of this case, the Panel considers that the disputed domain name was registered targeting the Complainant and its trademarks with the intention of obtaining a free ride on their established reputation. The disputed domain name was registered and is used seeking to mislead Internet users to believe that there is a connection between the disputed domain name and the Complainant to increase the traffic of the Respondent's site for a commercial gain, which constitutes bad faith under the Policy.

The Panel further finds that, as the overall circumstances of the case point to the Respondent's bad faith, the mere existence of an inaccurate and not prominently disclosed disclaimer in the site linked to the disputed domain name, is a further circumstance that evidences the Respondent's bad faith and its admission that Internet users may be confused. See section 3.7, [WIPO Overview 3.0](#).

All of the above-mentioned circumstances lead the Panel to conclude that the disputed domain name was registered and is being used in bad faith. Accordingly, the Panel concludes that the Complainant has met its burden of establishing that the Respondent registered and is using the disputed domain name in bad faith under the third element of the Policy.

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 name <sticksiqs.com> be transferred to the Complainant.

/Reyes Campello Estebaranz/

Reyes Campello Estebaranz

Sole Panelist

Date: January 20, 2023