

ADMINISTRATIVE PANEL DECISION

Philip Morris Products S.A. v. Saeed Farahani, Persian ART Case No. D2023-2861

1. The Parties

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

The Respondent is Saeed Farahani, Persian ART, India.

2. The Domain Name and Registrar

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on July 5, 2023. On the same day, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. Also on July 5, 2023, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name which differed from the named Respondent (Private Registration) and contact information in the Complaint.

The Center sent an email communication to the Complainant on July 10, 2023 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 also on July 10, 2023.

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 July 18, 2023. In accordance with the Rules, paragraph 5, the due date for Response was August 7, 2023. The Respondent did not submit any response. Accordingly, the Center notified the Respondent's default on August 8, 2023.

The Center appointed Nicholas Smith as the sole panelist in this matter on August 14, 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 and its related entities are a corporate group focused on the sale of tobacco products. The Complainant group has sales in 180 countries and sells a number of leading tobacco brands such as MARLBORO. The Complainant group has developed a number of products described as Reduced Risk Products ("RRP") which are products that present less harm to a smoker then a traditional combustible cigarette. One of the Complainant group's RRPs is IQOS, which is a heating device into which tobacco products under the brand name HEETS are inserted to generate a nicotine-containing aerosol. The IQOS system was first launched in Japan in 2014 and is available in 71 markets across the world, not including lran, the location of the Respondent. The IQOS system is almost exclusively distributed through the Complainant group's official stores and selected authorised distributors and retailers.

The Complainant is the owner of numerous trademark registrations for IQOS (the "IQOS Mark"), including an international registration registered on July 10, 2014 (No. 1218246) designating jurisdictions including the European Union, Israel, India and Viet Nam, and an international registration for a device containing "IQOS" ("IQOS Device") registered November 22, 2016 (No. 1329691), which also designates various jurisdictions.

5. Parties' Contentions

A. Complainant

The Complainant contends that it has satisfied each of the elements required under the Policy for a transfer of the Domain Name.

Notably, the Complainant contends that:

- a) The Complainant is the owner of the IQOS Mark, having registered the IQOS Mark in numerous jurisdictions. The Domain Name reproduces the IQOS Mark along with the descriptive geographical term "tehran", and the meaningless elements "iiiiiiiii" that do not distinguish the Domain Name from the IQOS Mark.
- b) There are no rights or legitimate interests held by the Respondent in respect of the Domain Name. The Respondent is not commonly known as the Domain Name nor does the Respondent have any authorization from the Complainant to register the Domain Name. The Respondent is not making a legitimate non-commercial fair use of the Domain Name. Rather the Respondent is using the Domain Name to create a website that purports to sell the Complainant's products and reproduce the Complainant's marks and copyrighted photos and promotional material, such use not being *bona fide*.
- c) The Domain Name was registered and is being used in bad faith. By using the Domain Name for a website that reproduces the Complainant's copyrighted material, and purports to represent the Complainant, the Respondent is clearly aware of the IQOS Mark and is using it to deceive consumers as to its affiliation with the Complainant. Such conduct amounts to registration and use of the Domain Name in bad faith.

B. Respondent

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

6. Discussion and Findings

A. Identical or Confusingly Similar

It is well accepted that the first element functions primarily as a standing requirement. The standing (or threshold) test for confusing similarity involves a reasoned but relatively straightforward comparison between the complainant's trademark and the domain Name. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("<u>WIPO Overview 3.0</u>"), section 1.7.

Based on the available record, the Panel finds the Complainant has shown rights in respect of a trademark or service mark for the purposes of the Policy. <u>WIPO Overview 3.0</u>, section 1.2.1.

The Panel finds the entirety of the mark is reproduced within the Domain Name. Accordingly, the Domain Name is identical or confusingly similar to the mark for the purposes of the Policy. <u>WIPO Overview 3.0</u>, section 1.7.

While the addition of other terms, here ("tehran" and "iiiiiiiii"), may bear on assessment of the second and third elements, the Panel finds the addition of such terms do not prevent a finding of confusing similarity between the Domain Name and the mark for the purposes of the Policy. <u>WIPO Overview 3.0</u>, section 1.8.

Based on the available record, the Panel finds the first element of the Policy has been established.

B. Rights or Legitimate Interests

Paragraph 4(c) of the Policy provides a list of circumstances in which the Respondent may demonstrate rights or legitimate interests in a disputed domain name.

While the overall burden of proof in UDRP proceedings is on the complainant, panels have recognized that proving a respondent lacks rights or legitimate interests in a domain name may result in the often impossible task of "proving a negative", requiring information that is often primarily within the knowledge or control of the respondent. As such, where a complainant makes out a *prima facie* case that the respondent lacks rights or legitimate interests, the burden of production on this element shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name. If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element. <u>WIPO Overview 3.0</u>, section 2.1.

Having reviewed the record, the Panel finds the Complainant has established a *prima facie* case that the Respondent lacks rights or legitimate interests in the Domain Name. The Respondent has not rebutted the Complainant's *prima facie* showing and has not come forward with any relevant evidence demonstrating rights or legitimate interests in the Domain Name.

The Panel considers that the record of this case reflects that:

- before any notice to the Respondent of the dispute, the Respondent did not use, nor has it made demonstrable preparations to use, the Domain Name or a name corresponding to the Domain Name in connection with a *bona fide* offering of goods or services. Paragraph 4(c)(i) of the Policy, and <u>WIPO</u> <u>Overview 3.0</u>, section 2.2.

- the Respondent (as an individual, business, or other organization) has not been commonly known by the Domain Name. Paragraph 4(c)(ii) of the Policy, and <u>WIPO Overview 3.0</u>, section 2.3.
- the Respondent is not making a legitimate noncommercial or fair use of the Domain Name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue. Paragraph 4(c)(iii) of the Policy, and <u>WIPO Overview 3.0</u>, section 2.4.
- the record contains no other factors demonstrating rights or legitimate interests of the Respondent in the Domain Name.

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The Respondent has used the Domain Name to operate a website to sell RRPs that purport to be legitimate IQOS and HEETS products. If the RRPs sold on the Respondent's Website are not genuine products produced by the Complainant group, the Respondent's use of the Domain Name does not grant it rights or legitimate interests since it is using the Complainant's IQOS Mark for a site selling counterfeit products.

Even if the Respondent is offering genuine IQOS and HEETS products from the Respondent's Website, such use does not automatically grant it rights and legitimate interests. The principles that govern whether a reseller of genuine goods has rights or legitimate interests have been set out in a variety of UDRP decisions, starting with the case of *Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No. <u>D2001-0903</u>.

The <u>WIPO Overview 3.0</u>, section 2.8 summarizes the consensus views of UDRP panels in assessing claims of nominative (fair) use by resellers or distributors in the following manner:

"... Panels have recognized that resellers, distributors, or service providers using a domain name containing the complainant's trademark to undertake sales or repairs related to the complainant's goods or services may be making a *bona fide* offering of goods and services and thus have a legitimate interest in such domain name. Outlined in the "Oki Data test", the following cumulative requirements will be applied in the specific conditions of a UDRP case:

- (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 "Oki Data test" does not apply where any prior agreement, express or otherwise, between the parties expressly prohibits (or allows) the registration or use of domain names incorporating the complainant's trademark."

In this case, the Respondent's Website does not accurately or prominently disclose the Respondent's relationship with the Complainant, in particular that it is not an authorized dealer or has any particular connection with the Complainant. Rather, its prominent display of the IQOS Mark and IQOS Device, its reproduction of the Complainant's official product images, the absence of a disclaimer or any explanation as to the identity of the operator of the Respondent's Website results in the impression that the Respondent's Website is an official website of the Complainant. Furthermore, the Respondent's Website purports to sell goods that compete with the Complainant's IQOS and HEETS products. Even in the event that the Respondent is reselling genuine IQOS and HEETS products, its use of the Domain Name for the Respondent's Website does not grant it rights or legitimate interests in the Domain Name.

Based on the available record, the Panel finds the second element of the Policy has been established.

C. Registered and Used in Bad Faith

The Panel notes that for the purposes of paragraph 4(a)(iii) of the Policy, paragraph 4(b) of the Policy establishes circumstances, in particular but without limitation, that if found by the Panel to be present, shall be evidence of the registration and use of a domain name in bad faith.

The Panel considers that the record of this case reflects that the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its website or other on-line location, by creating a likelihood of confusion with the Complainant's IQOS Mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's website or location or of a product or service on the Respondent's Website. Paragraph 4(b)(iv) of the Policy, and <u>WIPO Overview 3.0</u>, section 3.1.4. The Respondent registered the Domain Name for the purposes of operating a website specifically to sell either the Complainant's products or counterfeit

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products that compete with the Complainant's RRPs. The Respondent is using a Domain Name that is confusingly similar to the IQOS Mark to sell products, be they genuine or otherwise, in competition with the Complainant and without the Complainant's approval and without meeting the Oki Data test.

Based on the available record, the Panel finds the third element of the Policy has been established.

7. Decision

/Nicholas Smith/ Nicholas Smith Sole Panelist Date: August 25, 2023