

ADMINISTRATIVE PANEL DECISION

Philip Morris Products S.A. v. Xinke Liu
Case No. D2023-2157

1. The Parties

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

The Respondent is Xinke Liu, Australia.

2. The Domain Names and Registrar

The disputed domain names <heetsgoods.com>, <heetsretail.com> and <heetsstar.com> are registered with NameCheap, Inc. (the “Registrar”).

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on May 16, 2023. On May 17, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On May 17, 2023, 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 (Privacy service provided by Withheld for Privacy ehf) and contact information in the Complaint. The Center sent an email communication to the Complainant on May 22, 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 on May 23, 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 June 1, 2023. In accordance with the Rules, paragraph 5, the due date for Response was June 21, 2023. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on June 23, 2023.

The Center appointed Angelica Lodigiani as the sole panelist in this matter on July 3, 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 a leading tobacco and smoke-free product company and is an international selling cigarette brand since 1972. The Complainant sells its products in 180 countries. The Complainant is an innovating company and as such, has developed a series of reduced risks products, which currently have become an important part of the Complainant's activity. One of these products is a tobacco heating system named IQOS. IQOS is a controlled heating device into which specially heating designed tobacco sticks called "Heets", "HeatSticks" or "Terea", are inserted and heated to generate a flavorful nicotine-contained aerosol. The IQOS system has been first launched in Japan in 2014 and has obtained a 20% share of the local market. The system is now available in 71 markets across the world, and has considerable reputation and approximately 19.1 million consumers worldwide.

The Complainant is the owner of the following HEETS trademarks:

- HEETS (word), International registration No. 1326410, registered on July 19, 2016, designating several countries and claiming protection for goods in classes 9, 11 and 34; and
- HEETS (figurative), International registration No. 1328679, registered on July 20, 2016, designating numerous countries worldwide and claiming protection for goods in classes 9, 11 and 34.

In addition, the Complainant retains registered trademark rights over the trademark IQOS, dating back to 2014 and protected in various countries.

The disputed domain name <heetsgoods.com> was registered on March 30, 2023. The disputed domain names <heetsstar.com> and <heetsretail.com> were registered on April 19, 2023. The disputed domain names resolve to active websites displaying various Complainant's trademarks, including HEETS and IQOS prominently, and copyright images of the Complainant's products. The websites mainly target the Japanese consumer, and offer for sale products under the Complainant's trademarks.

5. Parties' Contentions

A. Complainant

According to the Complainant, the disputed domain names are confusingly similar to its trademark HEETS, which is identically reproduced and clearly recognizable within the disputed domain names.

The Complainant maintains that the Respondent lacks rights or legitimate interests in the disputed domain names. The Complainant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to register a domain name incorporating its HEETS mark. The Respondent is not making a legitimate noncommercial or fair use of the disputed domain names. On the contrary, the Respondent's behavior shows a clear intent to obtain an unfair commercial gain, with a view of misleadingly divert consumers or tarnish the Complainant's trademarks. The Respondent is not an authorized distributor or reseller of the Complainant and the websites associated with the disputed domain names do not meet the requirements set out by numerous panel decisions for a *bona fide* offering of goods. In particular, the disputed domain names themselves suggest an affiliation with the Complainant as they incorporate the Complainant's HEETS trademark followed by a term that can be associated with the Complainant. In addition, the disputed domain names resolve to websites displaying the Complainant's trademarks and the Complainant's product images and marketing materials without authorization, while at the same time claim copyright in this material. This illegitimate and false claim of rights supports the false impression that the

websites are endorsed by the Complainant. Moreover, the websites do not contain information regarding the identity of the provider, which is only referred to as “IQOSPOST”, which includes the Complainant’s trademark IQOS and serves to perpetuate the false impression of an official commercial relationship between the websites and the Complainant. Although the websites contain a disclaimer, this disclaimer is ambiguous and inaccurate, as it does not correctly identify the owners of the trademarks appearing on the websites, and their relationship with the Respondent. Furthermore, the disclaimers do not contain information about the owner of the HEETS trademark, thus omitting the most crucial information having regard to the fact that the disputed domain names include the Complainant’s HEETS trademark. As the Complainant’s IQOS system is primarily distributed through official/endorsed stores, Internet users are clearly misled by the disputed domain names, and will falsely believe that the websites under the disputed domain names originate from official or endorsed distributors.

Lastly, the Complainant affirms that the Respondent registered and is using the disputed domain names in bad faith. It is evident from the Respondent’s use of the disputed domain names, that the Respondent knew the Complainant’s HEETS mark when it registered the disputed domain names. Furthermore, the term “heets” is purely imaginative and unique to the Complainant. It is therefore beyond the realm of reasonable coincidence that the Respondent chose the disputed domain names without the intention of invoking a misleading association with the Complainant.

It is also evident from the Respondent’s use of the disputed domain names 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 HEETS trademark as to the source, sponsorship, affiliation or endorsement of its websites or location, or of a product or service on its website or location. By reproducing the Complainant’s registered trademark in the disputed domain names and on the websites, the Respondent is clearly suggesting to an Internet user visiting the websites under the disputed domain names that the Complainant is the source of the websites, which is not. This suggestion is further supported by the Respondent’s use of the Complainant’s official product images and marketing materials, accompanied by a copyright notice claiming the copyright for the websites and their contents.

In addition, the Complainant points out that the Respondent has previously registered and used other domain names incorporating the trademark HEETS in bad faith, which shows a pattern of bad faith conduct. Moreover, the Respondent is using a privacy protection service to hide its true identity, which is a further indication of bad faith.

B. Respondent

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

6. Discussion and Findings

A. Identical or Confusingly Similar

The Panel finds that the disputed domain names are confusingly similar to the Complainant’s HEETS trademark. All the disputed domain names incorporate the identical trademark HEETS followed by the words “goods”, “retail” and “star”. The HEETS trademark is clearly recognizable in the disputed domain names and the addition of these three words cannot prevent a finding of confusing similarity. Pursuant to section 1.8 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ([“WIPO Overview 3.0”](#)), “[w]here the relevant trademark is recognizable within the disputed domain name, the addition of other terms (whether descriptive, geographical, pejorative, meaningless, or otherwise) would not prevent a finding of confusing similarity under the first element”.

Accordingly, the Panel is satisfied that the first condition under the Policy is met.

B. Rights or Legitimate Interests

The Panel finds that the Respondent lacks rights or legitimate interests in the disputed domain names.

While the overall burden of proof rests with the complainant, UDRP panels have recognized that this could result in the often impossible task of proving a negative, requiring information that is often primarily within the knowledge 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 shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the disputed domain name.

The Complainant states that it does not have any relationship with the Respondent and that it never authorized the Respondent to make use of its trademarks and register domain names containing the HEETS trademark. Moreover, there is no indication in the file that the Respondent is commonly known by the disputed domain names.

The Respondent is using the disputed domain names to resolve to websites offering for sale numerous types of the Complainant's products and reproducing the trademarks and official pictures of these products. The Panel agrees with the Complainant that such use cannot amount to a *bona fide* offering of goods, or to a fair use of the disputed domain names.

First, the Panel finds that already the disputed domain names themselves carry a risk of implied affiliation. Previous UDRP panels have found that domain names identical to a complainant's trademark carry a high risk of implied affiliation. Even where a domain name includes a trademark plus an additional term, UDRP panels have held that such composition cannot constitute a fair use if it effectively impersonates or suggests sponsorship or endorsement by the trademark owner. In the instant case, the terms added to the Complainant's HEETS trademark are "goods", "retail" and "star". The first two are descriptive terms that can be associated with the Complainant and contribute to provide the impression that the websites under the respective disputed domain names are online shops belonging to the Complainant, or sponsored or associated therewith. The word "star" instead, is a laudatory word that can also be associated with the Complainant, or with one of its products, and therefore provides to the Internet user the same false impression of ownership, sponsorship or association mentioned above.

Furthermore, the Complainant has shown that the websites leave the Internet user under the false impression that the online shops provided under the disputed domain names are those of the Complainant or are linked to the Complainant or to one of its official distributors, which is not the case. The Complainant has also explained that the information contained in the disclaimers appearing on the relevant websites is inaccurate and misleading. In addition, as the disclaimers appear at the very bottom of the websites, they are likely to be seen (if at all) only once the website visitors have made their commercial decision to purchase the products offered for sale. The Panel, in compliance with the limited powers conferred by paragraphs 10 and 12 of the Rules, has visited the Respondent's websites and ascertained that the disclaimers appear at the very end of the webpages and that the Internet visitors are not likely to see them, unless (perhaps), they are interested in one of the last advertised products on the page. Moreover, the disclaimers are in small characters and in a grey font against a black background, while other text elements are in a white font against the same black background, and therefore much more visible. Hence, the disclaimers are certainly not standing out on the websites, but the Complainant's trademarks and the images of the products offered for sale. Accordingly, the overall appearance of the websites induces to believe that they belong to the Complainant or suggests sponsorship or endorsement by the Complainant.

Such impersonation of the Complainant by the Respondent and suggested endorsement already show that the Respondent lacks rights or legitimate interests in the disputed domain names.

Even assuming that the products offered for sale on the Respondent's websites are genuine, the Panel finds that the Respondent has failed to meet the "Oki Data" test (see, *Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No. [D2001-0903](#)) that, if satisfied, shows that the Respondent owns rights or legitimate interests in the disputed domain names. As a matter of fact, the following requirements must be present:

- (1) the Respondent must actually be offering the goods or services at issue;
- (2) the Respondent must use the site to sell only the trademarked goods;
- (3) the site must accurately disclose the registrant's relationship with the trademark owner; and
- (4) the Respondent must not try to corner the market in all domain names, thus depriving the trademark owner of reflecting its own mark in a domain name.

It is sufficient that one of these requirements is not met to fail the Oki Data test. In the instant case, the websites under the disputed domain names do not accurately disclose the Respondent's relationship with the Complainant for the reasons explained above. On the contrary, the websites create the impression of affiliation with the Complainant. Therefore, the requirement under number 3 above is not met.

Accordingly, the Panel finds that the Complainant has shown a *prima facie* case that the Respondent lacks rights or legitimate interests in the disputed domain names. The Respondent has failed to submit a Response and therefore to provide good arguments in support of the fact that it owns rights or legitimate interests in the disputed domain names.

Accordingly, the Panel is satisfied that the second requirement under the Policy is met.

C. Registered and Used in Bad Faith

As far as registration in bad faith is concerned, the Panel notes that the Respondent was certainly aware of the Complainant's HEETS trademark when it registered the disputed domain names. This is so, not only because the trademark HEETS enjoys reputation and consists of a fanciful word uniquely associated with the Complainant. It is so, also in consideration of the use that the Respondent is making of the disputed domain names, to resolve to websites offering for sale the Complainant's products, including the HEETS products. Mere registration of a domain name that is identical or confusingly similar to a famous or widely-known trademark by an unaffiliated entity can by itself create a presumption of bad faith. The Respondent has intentionally registered the disputed domain names to target the Complainant's HEETS trademark for its own commercial gain.

As far as use in bad faith is concerned, the disputed domain names resolve to websites prominently displaying the Complainant's marks and copyright images of the Complainant, and offering for sale the Complainant's goods. As previously mentioned, the Respondent is not authorized to use the Complainant's trademarks and copyright images of the Complainant's products on its websites. Moreover, the Panel does not know if these goods are genuine or not. Even if these goods were original, the Complainant has affirmed that "[t]o date, the IQOS System has been almost exclusively distributed through PMI's official IQOS stores and websites and selected authorized distributors and retailers". The Respondent is evidently not an authorized distributor or retailer of the Complainant, and the online shops on the websites of the disputed domain names are not official websites of the Complainant. In addition, the Respondent has failed to meet the requirements of the Oki Data test. Accordingly, it is clear that the Respondent is using the disputed domain names in bad faith, to intentionally attempt to attract, for commercial gain, Internet users to the Respondent's websites, by creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's websites, or of a product on these websites.

Lastly, the Panel agrees with the Complainant, that the Respondent has engaged in a pattern of registering domain names targeting the Complainant's HEETS trademark in bad faith. As a matter of fact, the Respondent is the same respondent of many WIPO UDRP cases involving the Complainant's HEETS trademark, such as *Philip Morris Products S.A. v. Xinke Liu*, WIPO Case No. [D2023-0378](#), for the domain names <heetsgood.com>, <heetsship.com>, and <heetszone.com>, *Philip Morris Products S.A. v. Xinke Liu*, WIPO Case No. [D2023-0171](#), for the domain name <heetsmart.com>, *Philip Morris Products S.A. v. Privacy Service Provided by Withheld for Privacy ehf / Xinke Liu*, WIPO Case No. [D2022-0018](#) for the domain names <heatspost.com> and <heatsmail.com>, *Philip Morris Products S.A. v. Privacy Service provided by Withheld for Privacy ehf / Xinke Liu*, WIPO Case No. [D2022-0680](#) for the domain name <heatsnow.com>, *Philip Morris Products S.A. v. Privacy Service Provided by Withheld for Privacy ehf / Xinke Liu*, WIPO Case No. [D2022-1651](#) for the domain names <heatsone.com> and <heetsone.com>, *Philip Morris Products S.A.*

v. *Xinke Liu*, WIPO Case No. [D2022-3707](#) for the domain names <heetsmail.com>, <heetsplace.com>, <heatsplace.com> and <heetspost.com>, and others.

Therefore, the Panel is satisfied that also the third and last condition under the Policy is met.

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, <heetsgoods.com>, <heetsretail.com> and <heetsstar.com>, be transferred to the Complainant.

/Angelica Lodigiani/

Angelica Lodigiani

Sole Panelist

Date: July 17, 2023