

ADMINISTRATIVE PANEL DECISION

Philip Morris Products S.A. v. shinya kasuga, mediaexceed.inc
Case No. D2022-4912

1. The Parties

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

The Respondent is shinya kasuga, mediaexceed.inc, Japan, represented by Monolith Law Office (弁護士法人モノリス法律事務所), Japan.

2. The Domain Name and Registrar

The disputed domain name <niqosmo.com> is registered with GMO Internet, Inc. d/b/a Discount-Domain.com and Onamae.com (the "Registrar").

3. Procedural History

The Complaint was filed in English with the WIPO Arbitration and Mediation Center (the "Center") on December 21, 2022. On December 21, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On December 22, 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 (Private Registration) and contact information in the Complaint. The Center sent an email communication to the Complainant on December 22, 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 in English on December 22, 2022.

On December 22, 2022, the Center transmitted an email communication to the Parties in English and Japanese regarding the language of the proceeding. On December 22, 2022, the Complainant submitted a request that English be the language of the proceeding. The Respondent did not comment on the language of the proceeding.

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 in English and Japanese of the Complaint, and the proceedings commenced on December 28, 2022. In accordance with the Rules, paragraph 5, the due date for Response was January 17, 2023. The Response was filed in English with the Center on January 16, 2023.

The Center appointed Teruo Kato as the sole panelist in this matter on January 20, 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 company which is part of the group of companies affiliated to Philip Morris International Inc. (jointly referred to as "PMI"). PMI is an international tobacco and smoke-free products company and is also known for innovating across its brand portfolio. In the course of transforming its business, PMI has developed a number of smoke-free products. One of such products developed and sold by PMI is a tobacco heating system called "IQOS".

For its new innovative smoke-free products the Complainant owns a large portfolio of trademarks, including Japanese trademark registration IQOS (word) No. 5727311, registered on December 19, 2014, Japanese Registration IQOS (word) No. 6100975, registered on November 22, 2018, Japanese Registration IQOS (word) No. 5770614, registered on June 12, 2015, and International trademark registration IQOS (device) No. 1329691, registered on August 10, 2016, designating Japan.

The disputed domain name was registered on April 22, 2022. The disputed domain name is linked to an online shop which refers and/or includes hyperlinks which redirects to third party online shops allegedly selling and offering competing third party products of other commercial origin.

5. Parties' Contentions

A. Complainant

The Complainant contends that it is the owner of the IQOS trademark.

The Complainant also contends that the disputed domain name is confusingly similar to the Complainant's IQOS trademark.

The Complainant further contends that the Respondent is not a licensee, an authorized agent of the Complainant, or in any other way authorized to use the Complainant's trademark IQOS, and that the Respondent is not commonly known by the disputed domain name as an individual, business, or other organization, and that the Respondent does not make any *bona fide* use or trade under the disputed domain name.

The Complainant also contends that the Respondent has registered and is using the disputed domain name in bad faith.

The Complainant further contends that the Respondent is the same person, or is connected to the same person, who was the respondent to a previous UDRP complaint filed by the Complainant, under WIPO Case No. [D2022-0476](#), and has submitted, as a part of its Complaint, copy of its complaint and the decision of that case.

The Complainant contends that the facts and information relating to the said earlier case are relevant to the present dispute, as, according to the Complainant, it indicates that the Respondent has previously acted in bad faith, and continues to act in bad faith.

B. Respondent

The Respondent contends that the disputed domain name is derived from the combination of “nicotine” and “smoke”, thus is a coined term distinguished from the Complainant’s IQOS trademark.

The Respondent also contends that the Respondent has only registered and used the disputed domain name to introduce tobacco related products purely for the purpose of developing the tobacco industry, and that the Respondent has not taken advantage of the Complainant’s ability to attract customers to sell the Respondent’s products, nor has the Respondent acted in a manner that would unfairly harm the Complainant, and therefore it does not fall under the category of “bad faith”.

6. Discussion and Findings

6.1 Preliminary Issue: Language of the Proceeding

Pursuant to paragraph 11(a) of the Rules, the language of the administrative proceeding shall be the language of the Registration Agreement, subject to authority of the panel to determine otherwise having regard to the circumstances of the administrative proceeding. The Panel notes that in the present case the Registrar has confirmed that the language of the Registration Agreement is Japanese.

The Complainant has filed the Complaint in English and requests that the Panel, in exercising its discretion to use a language other than that of the Registration Agreement, taking into account all relevant circumstances of the case, including matters such as the parties’ ability to understand and use the proposed language, time and costs, to determine English to be the language of the proceedings.

On December 22, 2022, the Respondent was invited by the Center, in both Japanese and English, to indicate any objection to the proceeding being conducted in English by December 27, 2022. The Respondent did not respond to this by this deadline nor later.

On December 28, 2022, the Center informed the Respondent, in both Japanese and English, that the Center has decided, under the circumstances of this case, to: “1) accept the Complaint as filed in English; 2) accept a Response in either English or Japanese; 3) appoint a Panel familiar with both languages mentioned above, if available.” Accordingly, the Panel would have accepted a response in Japanese, but no reply in Japanese was submitted by the Respondent.

On January 16, 2023, the Respondent submitted its Response, which was written entirely in English. The Response did not contain any reference to the language of the proceeding.

In the circumstances, in accordance with paragraph 11(a) of the Rules, the Panel decides that English be the language of the proceeding. The Panel further finds that such determination would not cause any prejudice to either Party and would ensure that the proceeding takes place with due expedition.

6.1 Substantive Issues

A. Identical or Confusingly Similar

The Panel must determine whether (a) the Complainant has a trademark or service mark; and (b) whether the disputed domain name is identical or confusingly similar to that trademark or service mark.

The Complainant submitted evidences of trademark registrations and the Panel is satisfied that the Complainant is the owner of, among others:

- Japanese trademark registration IQOS (word) No. 5727311, registered on December 19, 2014, covering goods and services in classes 16, 18, 21, 25, 35, 37, 41, and 43,

- Japanese Registration IQOS (word) No. 6100975, registered on November 22, 2018, covering goods and services in classes 14, 18, 25, and 35,
- Japanese Registration IQOS (word) No. 5770614, registered on June 12, 2015, covering goods and services in classes 9, 11, and 34, and
- International trademark registration IQOS (device) No. 1329691, registered on August 10, 2016, designating Japan, covering goods and services in classes 9, 11, and 34.

As to the confusingly similar element for the purposes of the Policy, the Panel has proceeded to compare the disputed domain name to the trademark rights which have been proved.

Section 1.11.1 of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ([“WIPO Overview 3.0”](#)) states that “[t]he applicable Top Level Domain (‘TLD’) in a domain name (e.g., ‘info’, ‘.com’, ‘.club’) is viewed as a standard registration requirement and as such is disregarded under the first element confusing similarity test”, and the Panel finds no reason why this established practice should not be applied to the present case.

Apart from the generic Top-Level Domain (being “.com”), the Complainant contends that the disputed domain name contains its trademark IQOS in its entirety. The Panel notes that letters “n” and “mo” are added immediately before and after IQOS, respectively.

In this connection, the Panel notes section 1.7 of the [WIPO Overview 3.0](#) which states that “[w]hile each case is judged on its own merits, in cases where a domain name incorporates the entirety of a trademark, or where at least a dominant feature of the relevant mark is recognizable in the domain name, the domain name will normally be considered confusingly similar to that mark for purposes of UDRP standing”.

The Panel also notes that, in relation to the addition of “n” and “mo”, section 1.8 of the [WIPO Overview 3.0](#) states that “[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”.

It is not relevant under the first element to consider the Respondent’s submission that the disputed domain name was derived from the words “nicotine” and “smoke”, with the “c” in “nico” changed to “q” to reflect the Respondent’s intent to solve a wide range of “questions” of consumers. (The Respondent further contends that “NIQOSMO is an original word coined by the Respondent, and NIQOSMO merely happens to contain a sequence of four alphabetic letters and is not a combination of the word IQOS with other words”.)

In this connection the Panel notes section 1.7 of the [WIPO Overview 3.0](#) states that “Issues such as the strength of the complainant’s mark or the respondent’s intent to provide its own legitimate offering of goods or services without trading off the complainant’s reputation, are decided under the second and third elements. Panels view the first element as a threshold test concerning a trademark owner’s standing to file a UDRP complaint, *i.e.*, to ascertain whether there is a sufficient nexus to assess the principles captured in the second and third elements”.

The Panel is therefore satisfied that the test to be applied under the first element ought to be primarily objective, *i.e.*, to be seen from the view point of hypothetical Internet users, and that the subjective reasonings and/or motives on the part of the respondent should not be a deciding factor for the purpose of consideration of paragraph 4(a)(i) of the Policy.

The Respondent further submits that holding the disputed domain name as confusingly similar “would be an excessive interference with the social and artistic activities of others” and would “excessively restrict the freedom to choose a domain name by prohibiting the use of a coined word as a domain name”.

With due respect, the Panel finds that such assertions fall outside of the scope of the jurisdiction given to the Panel in the present administrative proceedings.

In the circumstances, the Panel sees no reason why the established practices in line with sections 1.7 and 1.8 of the [WIPO Overview 3.0](#) as quoted above should not be applied to the present case and holds that the disputed domain name is confusingly similar to the Complainant's trademarks.

Accordingly, the Panel finds that the requirement of paragraph 4(a)(i) of the Policy is satisfied.

B. Rights or Legitimate Interests

Under paragraph 4(c) of the Policy, any of the following circumstances, if found by the Panel, may demonstrate a respondent's rights or legitimate interests in a domain name:

- (i) before any notice to it of the dispute, the respondent's use of, or 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; or
- (ii) the respondent has been commonly known by the domain name, even if it has acquired no trademark or service mark rights; or
- (iii) the respondent is 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.

The consensus view of UDRP panels is that the burden of proof in establishing no rights or legitimate interests in respect of a domain name rests with the complainant in making out a *prima facie* case that the respondent lacks rights or legitimate interests. Once such *prima facie* case is made, the burden of production shifts to the respondent to come forward with relevant evidence demonstrating rights or legitimate interests in the domain name (see section 2.1 of the [WIPO Overview 3.0](#)).

In the present case, the Complainant submits that the Respondent lacks any right or legitimate interest in the disputed domain name, that the Complainant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to register a domain name incorporating its IQOS trademark (or a domain name which will be associated with this trademark).

The Complainant also submits that "the Respondent is not making a legitimate noncommercial or fair use of the Domain Name. On the contrary, 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 trademarks owned by the Complainant. Firstly, the Respondent is not an authorized distributor or reseller of the IQOS System. Secondly, the third party online shops to which user / relevant consumer are redirected to from the Website ... are selling competing tobacco products and/or accessories of other commercial origin. Thirdly, the Website provided under the [d]isputed [d]omain [n]ame does not meet the requirements set out by numerous panel decisions for a *bona fide* offering of goods".

The Complainant further submits its view on the requirements to be considered as "a *bona fide* offering of goods" under the so-called Oki Data principles.

The Panel carefully considered the submission made by the Complainant as well as the documentary evidence supplied by the Complainant to support its submissions, and the Panel is satisfied that the Complainant has established a *prima facie* case.

The Respondent has not submitted any objection or comments on this issue in its Response or elsewhere.

In the circumstances, the Panel is satisfied that the Respondent has failed to overturn such *prima facie* case and has also failed to invoke any of the defenses as set out in paragraph 4(c) of the Policy.

Accordingly, the Panel finds that the Respondent has no rights or legitimate interests in respect of the disputed domain name.

C. Registered and Used in Bad Faith

To fulfill the third requirement, the Complainant must prove that the disputed domain name was registered and is being used in bad faith.

In the present case, the Respondent states in its Response that “the Respondent was indeed aware of the IQOS product sold by the Complainant, however, was not clearly aware of the fact that the Complainant had registered the trademark itself.”

In this connection the Complainant submitted a copy of the earlier decision of *Philip Morris Products S.A. v. Mediaexceed.inc aka Media Exceed Co., Ltd.* (株式会社メディアエクシード) WIPO Case No. [D2022-0476](#), which dealt with the Complainant’s IQOS trademarks. The decision, which was dated May 11, 2022, states that “The Respondent presented its Response on April 12, 2022, mainly in English”.

The disputed domain name was registered on April 22, 2022, which was 10 days after the date of its response of the said earlier case. The Panel therefore holds that, contrary to its contention, the Respondent was fully aware of the existence of the Complainant’s IQOS Trademark when it acquired the disputed domain name.

The Panel considered the Respondent’s contention that the term of the disputed domain name “was derived from the word’s ‘NICOTINE’ and ‘SMOKE’”. Additionally, the ‘C’ in NICO was changed to ‘Q’ to reflect the Respondents intent to solve a wide range of ‘questions’ of consumers. This change is of particular importance to the Complainant. As described above, NIQOSMO is an original word coined by the Respondent, and NIQOSMO merely happens to contain a sequence of four alphabetic letters and is not a combination of the word IQOS with other words”.

Given that the goods and services presented and/or introduced by the Respondent in the web-pages using the disputed domain name all relate to tobacco related products, the Panel finds it implausible that the Complainant’s IQOS Trademark was absent in the mind of the Respondent when it chose the words of “niqosmo”. This finding is consistent with the previous conduct of the Respondent as held in the earlier decision of WIPO Case No. [D2022-0476](#). Further, the Panel does not accept the Respondent’s contention that “NIQOSMO merely happens to contain a sequence of four alphabetic letters” (being IQOS).

In the circumstances, the Panel holds that the Respondent registered the disputed domain name in bad faith.

As to the use in bad faith, the Complainant contends, among others, that “[i]t is also evident from the Respondent’s use of the [d]isputed [d]omain [n]ame that the Respondent registered and used the [d]isputed [d]omain [n]ame with the intention to attract, for commercial gain, Internet users to the website by creating a likelihood of confusion with the Complainant’s registered IQOS trademark as to the source, sponsorship, affiliation, or endorsement of its website or location or of a product or service on its website or location, which constitutes registration and use in bad faith pursuant to paragraph 4(b)(iv) of the Policy” and provides further elaboration of its contentions.

The Respondent, on the other hand, contends that the Complainant made “crucial factual errors” and contends, among others, that “the Respondent merely introduces tobacco related products and does not sell its own products in any way”, “[t]he Respondent also introduces the [c]ompetitor’s products but does not introduce the Complainant’s products as inferior to the [c]ompetitor’s products”, “[i]t is obvious for a website visitor to tell that the Respondent’s website is simply a website introducing tobacco related products”, and “it is impossible for a website visitor to determine that the Respondent is an official online retailer or distributor of the Petitioner, and there is no fact that the Petitioner is posing as if it were one of these companies.”

The Respondent also contends that “Petitioner is not a reseller, so Petitioner’s argument ... citing a case concerning a reseller lacks that premise”, “there is no indication that the Respondent is clearly suggesting that the Claimant is the source of the website”, and “while it is true that it also introduces the competitor’s products, it does not introduce the petitioner’s products as inferior to the competitor’s products, and there is no statement that would unfairly harm the Petitioner”.

In its Summary the Respondent states that “As stated above, the Disputed Domain Name is derived from the combination of ‘NICOTINE’ and ‘SMOKE’, thus is a coined term distinguished from the Complainant’s IQOS trademark. Additionally, the Respondent has only registered and used the disputed domain to introduce tobacco related products purely for the purpose of developing the tobacco industry. The Respondent has not taken advantage of the Complainant’s ability to attract customers to sell the Respondent’s products, nor has the Respondent acted in a manner that would unfairly harm the Complainant. Therefore, it does not fall under the category of ‘bad faith’”.

Taking all matters into careful consideration, the Panel is not convinced by the Respondent’s arguments, and instead holds that the Respondent registered and is using the disputed domain name in bad faith.

The Panel therefore concludes that the third requirement of the Policy has been 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 name, <niqosmo.com>, be transferred to the Complainant.

/Teruo Kato/

Teruo Kato

Sole Panelist

Date: February 3, 2023