

## **ADMINISTRATIVE PANEL DECISION**

Philip Morris Products S.A. v. Xinke Liu  
Case No. D2023-0171

### **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 Name and Registrar**

The disputed domain name <heetsmart.com> (the “Domain Name”) is registered with NameCheap, Inc. (the “Registrar”).

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on January 13, 2023. On January 13, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On January 13, 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 (Redacted for Privacy, Privacy service provided by Withheld for Privacy ehf) and contact information in the Complaint. The Center sent an email communication to the Complainant on January 17, 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 January 18, 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 January 27, 2023. In accordance with the Rules, paragraph 5, the due date for Response was February 16, 2023. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on February 21, 2023.

The Center appointed Willem J. H. Leppink as the sole panelist in this matter on February 28, 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 following facts are undisputed.

The Complainant is a Swiss company and a subsidiary of Philip Morris International, Inc., a leading international tobacco and smoke-free products company, with products sold in approximately 180 countries.

IQOS is a tobacco heating system, into which specially designed tobacco sticks of several brands, owned by the Complainant, are inserted and heated to generate a flavorful nicotine-containing aerosol. One of the heating sticks offered by the Complainant are offered under the name HEETS. The heating system and these specific heating sticks are hereinafter jointly referred to as the "Product". The Product is available in key cities around 71 markets across the world.

Complainant is the owner of a large portfolio of well-known trademarks, including but not limited to the International Registration for the word mark HEETS, *inter alia* designating Australia, with registration No. 1326410, registered on July 19, 2016, for goods and services in in classes 9, 11 and 34, hereinafter referred to as the "Trademark" and the International Registration for the device mark IQOS, *inter alia* designating Australia, with registration No. 1338099, registered on November 22, 2016, for goods and services in class 35, hereinafter referred to as the "IQOS Trademark".

The Domain Name is linked to a website, which functions as an online shop, allegedly selling and offering the Product, hereinafter referred to as the "Website".

#### 5. Parties' Contentions

##### A. Complainant

Insofar as relevant for deciding this matter, the Complainant contends the following.

First of all, the Complainant believes that the Respondent is the same party, or is connected to the same party, who was the respondent in previous UDRP complaints filed by the Complainant, under case Nos. *Philip Morris Products S.A. v. WhoisGuard Protected / WhoisGuard, Inc. / Xinke Liu*, WIPO Case No. [D2019-0918](#); *Philip Morris Products S.A. v. Withheld for Privacy Purposes, Privacy service provided by Withheld for Privacy ehf / Liu Xinke / IQOSPOST/Japan Tokyo Trading Pty Limited*, WIPO Case No. [D2021-2767](#) and *Philip Morris Products S.A. v. Withheld for Privacy ehf / Xinke Liu*, WIPO Case No. [D2021-3733](#), in relation to the bad faith registration and use of the domain name <iqospost.com>, the domain names <heatsshop.com>, <iqosale.com>and <iqosales.com>, and the domain name <heetsales.com> respectively.

Further, the Domain Name is confusingly similar to the Trademark. The Domain Name identically adopts the Complainant's Trademark. It is further established that the addition of merely generic, descriptive, or geographical wording to a trademark in a domain name would normally be insufficient in itself to avoid a finding of confusing similarity under the first element of the UDRP. The Domain Name reproduces the Trademark in its entirety, in addition to the non-distinctive and descriptive word "mart".

The Respondent has no rights or legitimate interests in the Domain Name. The Complainant has not licensed or otherwise permitted the Respondent to use any of its trademarks or to register a domain name incorporating its Trademark (or a domain name, which will be associated with this trademark).

The Respondent is not making a legitimate noncommercial or fair use of the 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 Trademark and IQOS Trademark owned by the Complainant. Firstly, the Respondent is not an authorized distributor or reseller of the Product. Secondly, the Website provided under the Domain Name does not meet the requirements set out by numerous panel decisions for a *bona fide* offering of goods.

Based on the latter, the Complainant states that the *Oki Data* criteria are not met in this case and that the use of the Domain Name cannot be considered a *bona fide* offering of goods and does not establish a legitimate interest on behalf of the Respondent. The Domain Name itself suggests an affiliation with the Complainant and its Trademark, as the Domain Name contains the Trademark in its entirety, with the mere addition of the generic term "mart". Also, the IQOS Trademark is depicted on the Website. The disclaimer at the bottom of the homepage of the Website is not presented in a clear and sufficiently prominent manner. According to the principles established by previous UDRP panels, disclaimers need to effectively disclose the relationship existing between the operator of a website and the trademark owner. Consequently, it is important to analyze the content, size, context, and location of the disclaimer in question (see *Philip Morris Products S.A. v. Michal Kovrzek*, WIPO Case No. [D2017-2481](#), and the decisions referenced therein).

The Domain Name is registered and is being used in bad faith. The Respondent was aware of the Complainant's Trademark and IQOS Trademark and the Product and started offering the Product on the Website immediately after registering the Domain Name. Furthermore, it is evident that the Respondent registered and used the Domain Name with the intention to attract, for commercial gain, Internet users to the Website by creating a likelihood of confusion with the Trademark as to the source, sponsorship, affiliation, or endorsement of the Website or location or of a product or service on the Website or location, which constitutes registration and use in bad faith. The Complainant submits that the Respondent's purported recent involvement in the bad faith registration and use of the domain names <iqospost.com>, <heatsshop.com>, <iqosale.com>, <iqosales.com> and <heetsales.com> respectively shows a pattern of bad faith conduct in connection with domain names incorporating the Complainant's trademarks. Finally, the fact that Respondent is using a privacy protection service to hide its true identity may in itself constitute a factor indicating bad faith (see WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("[WIPO Overview 3.0](#)"), section 3.6 and the cases referenced therein).

## **B. Respondent**

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

## **6. Discussion and Findings**

Pursuant to paragraph 4(a) of the Policy, the Complainant must prove each of the following three elements:

- (i) the Domain Name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and
- (ii) the Respondent has no rights or legitimate interests in respect of the Domain Name; and
- (iii) the Domain Name has been registered and is being used in bad faith.

Noting the burden of proof on the Complainant, the Respondent's default (*i.e.*, failure to submit a formal response) would not by itself mean that the Complainant is deemed to have prevailed. The Respondent's default is not necessarily an admission that the Complainant's claims are true. See in this regard [WIPO Overview 3.0](#), section 4.3 "In cases involving wholly unsupported and conclusory allegations advanced by the complainant, or where a good faith defense is apparent (*e.g.*, from the content of the website to which a disputed domain name resolves), panels may find that – despite a respondent's default – a complainant has failed to prove its case. Further to paragraph 14(b) of the UDRP Rules however, panels have been prepared to draw certain inferences in light of the particular facts and circumstances of the case *e.g.*, where a

particular conclusion is *prima facie* obvious, where an explanation by the respondent is called for but is not forthcoming, or where no other plausible conclusion is apparent”.

#### **A. Identical or Confusingly Similar**

The Complainant must demonstrate that it has rights in a trademark or service mark and, if so, the Domain Name must be shown to be identical or confusingly similar to that mark.

The Complainant has shown that it has rights in the Trademark.

As set out in the [WIPO Overview 3.0](#), section 1.7, the first element functions primarily as a standing requirement. The threshold test for confusing similarity between the Domain Name and the Trademark involves a relatively straightforward comparison.

In light of the foregoing, the Panel finds that the Domain Name is confusingly similar to the Trademark. The Domain Name consists of the Trademark, followed by the term “mart”. The Panel finds that the Trademark is included in its entirety in the Domain Name and that the additional term does not prevent a finding of confusing similarity.

In light of the foregoing, the Panel finds that the Domain Name is confusingly similar to the Trademark.

Therefore, the Panel is satisfied that the first element of the Policy is met.

#### **B. Rights or Legitimate Interests**

The Panel has carefully considered the factual allegations that have been made by the Complainant and are supported by the submitted evidence.

In particular, the Respondent has failed to offer the Panel any of the types of evidence set forth in paragraph 4(c) of the Policy from which the Panel might conclude that the Respondent has rights or legitimate interests in the Domain Name, such as:

- (i) use or preparation to use the Domain Name or a name corresponding to the Domain Name in connection with a *bona fide* offering of goods or services prior to notice of the dispute; or
- (ii) being commonly known by the Domain Name (as an individual, business or other organization) even if the Respondent has not acquired any trademark or service mark rights; or
- (iii) making 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 Respondent does not seem to be affiliated with the Complainant in any way. There is no evidence that “heetsmart” is the Respondent’s name or that the Respondent is commonly known under this name. There is also no evidence that the Respondent is, or has ever been, a licensee of the Complainant or that the Respondent has ever asked, or has ever been permitted in any way by the Complainant to register or use the Trademark, or to apply for or use any domain name incorporating the Trademark.

Further, the Complainant’s assertions have not been rebutted by the Respondent to indicate whether it has any rights or legitimate interests in the Domain Name. There was also no evidence put forward by the Respondent to indicate that the Respondent was licensed or authorized by the Complainant to use the Trademark.

The Respondent used the Domain Name to operate a website offering the Product.

Assuming that this offer is genuine, which *prima facie* seems to be doubtful, 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 consists of a trademark plus an additional term (at the second- or top-level), panels have largely held that such composition cannot constitute fair use if it effectively impersonates or suggests sponsorship or endorsement by the trademark owner. In between, certain additional terms within the trademark owner's field of commerce or indicating services related to the brand, may or may not by themselves trigger an inference of affiliation, and would normally require a further examination by the panel of the broader facts and circumstances of the case – particularly including the associated website content – to assess potential respondent rights or legitimate interests. (See [WIPO Overview 3.0](#), section 2.5.1).

The Panel finds that the Website effectively impersonates or suggests endorsement by the Complainant given the prominent use on the Website of the Complainant's Trademark and IQOS Trademark, the use of official marketing materials and product images, in addition to the lack of an adequate disclosure of the identity of the provider of the Website. The Panel notes that the Website only includes a nearly illegible disclaimer, being a text in a dark shade of grey font against a black background, whilst other text elements appear in a clear white font.

Such impersonation and suggested endorsement is sufficient to conclude that the Respondent lacks rights or legitimate interest in the Domain Name.

Even if the so-called Oki Data test (*Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No. [D2001-0903](#)) would have to be applied, the Respondent clearly fails this test anyway as in this case, as referred to above, the Website does not accurately or prominently disclose the Respondent's relationship with the Complainant, in particular that it has no particular connection with the Complainant. On the Website, the Respondent states in the nearly illegible disclaimer that IQOS (and other brands) is a registered trademark of PMI (which is incorrect as the Trademark and the IQOS Trademark are registered in the name of the Complainant) and that they are reseller and that "Heatsshop" is not endorsed nor affiliated with the holders of the respective trademarks used on the Website. The disclaimer does neither mention the Trademark, who owns the HEETS trademark nor the relationship (or lack thereof) between the Respondent and the Trademark. As the Domain Name consists of the Trademark in its entirety, this should be a crucial part of the disclaimer, however, this information does not appear in the disclaimer. Therefore, the information provided in the disclaimer is inaccurate and is anyway not sufficient to clarify the relationship between the Respondent and the Complainant.

Therefore, the Panel is satisfied that the second element of the Policy is met.

### **C. Registered and Used in Bad Faith**

The Panel finds that the Domain Name was registered and is being used in bad faith.

The Panel refers to its considerations under section 6.B and adds the following:

Besides the misleading use of the Domain Name, the Complainant has also sufficiently substantiated that the Respondent is involved in a pattern of bad faith conduct in connection with domain names incorporating the Complainant's trademarks. The Panel is aware that establishing a pattern of bad faith conduct requires more than one domain name registration, as stated in [WIPO Overview 3.0](#), section 3.1.2. However, given all circumstances and the fact that the Complainant has made it sufficiently plausible that the Respondent also registered and used the domain names <iqospost.com>, <heatsshop.com>, <iqosale.com>, <iqosales.com> and <heetsales.com> in bad faith, the Panel has enough reasons to believe that in this specific matter a pattern of abuse may be found, now that (at least) two domain names were registered simultaneously by the Respondent directed at a single Complainant's mark.

A finding of registration and use in bad faith is also supported by the fact that according to the delivery records of the courier delivering the Notification of Complaint and Commencement of Administrative Proceeding, the address of the Respondent as included in the Whois details, was considered to be a "bad

address”, which in practice means that the address was non-existent and it can therefore assumed that the Respondent has provided false information when registering the Domain Name.

Therefore, the Panel is satisfied that the third element of 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 Domain Name <heetsmart.com> be transferred to the Complainant.

*/Willem J. H. Leppink/*

**Willem J. H. Leppink**

Sole Panelist

Date: March 3, 2023