

## **ADMINISTRATIVE PANEL DECISION**

### **Swatch AG v. Client Care, Web Commerce Communications Limited Case No. D2023-4710**

#### **1. The Parties**

The Complainant is Swatch AG, Switzerland, internally represented.

The Respondent is Client Care, Web Commerce Communications Limited, Malaysia.

#### **2. The Domain Names and Registrar**

The disputed domain names <swatchfactoryoutlet.com>, <swatchuk.com>, and <swatch-usa.com> are registered with Alibaba.com Singapore E-Commerce Private Limited (the “Registrar”).

#### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on November 13, 2023. On November 14, 2023, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain names. On November 15, 2023, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the disputed domain names, which differed from the named Respondent (individual/entity of unknown nature) and contact information in the Complaint. The Center sent an email communication to the Complainant on November 15, 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 November 15, 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 November 16, 2023. In accordance with the Rules, paragraph 5, the due date for Response was December 6, 2023. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on December 7, 2023.

The Center appointed Mihaela Maravela as the sole panelist in this matter on December 13, 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**

According to information in the Complaint, the Complainant commenced as early as 1983 the use of the SWATCH trademark in connection to wristwatches. It has also produced or produces apparel, sunglasses and other items. The Complainant is a wholly-owned subsidiary of The Swatch Group Ltd., which is the one of the largest watch companies in the world that employs about 31,000 people in 50 countries and encompasses numerous other world-renowned watch maker brands such as OMEGA, BREGUET, HARRY WINSTON, HAMILTON, TISSOT, and RADO. The Swatch Group Ltd. is publicly traded on various stock exchanges under the symbols UHR and UHR N.

The Complainant has registered several trademarks consisting of or including SWATCH, such as the International Trademark No. 506123 for SWATCH (word), registered as of September 9, 1986 for goods in class 14. The Complainant uses the domain name <swatch.com> to promote the SWATCH brand and its products and services on the Internet.

The disputed domain names were registered on September 13, 2023, and resolve to identical websites purporting to sell watches at discounted prices and displaying the Complainant's trademark and logo.

#### **5. Parties' Contentions**

##### **A. Complainant**

The Complainant contends that it has satisfied each of the elements required under the Policy for the transfer of the disputed domain names.

Notably, the Complainant contends that one of the disputed domain names encompasses the entirety of the Complainant's registered SWATCH trademark combined with the term "factoryoutlet". Previous panels have found the term "factoryoutlet" to be insufficient to dispel the confusing similarity under the first element. The other two disputed domain names encompass the entirety of the Complainant's SWATCH trademark combined with the geographical terms "usa" or "uk". The addition of such geographical terms is also insufficient to dispel the confusing similarity under the first element. The hyphens used in some of the disputed domain names are mere punctuations, thus too minor to prevent a confusing similarity with the Complainant's trademarks under the Policy.

As regards the second element, the Complainant argues that there are no signs that the Respondent has been commonly known by the disputed domain names, and the Respondent is not in any way related to the Complainant or its business activities nor has the Complainant granted a license or authorized the Respondent to use their trademarks or apply for registration of the disputed domain names. The Respondent is using the disputed domain names to impersonate the Complainant and to lure consumers into buying counterfeited products or paying for products that are never delivered. Such usage of a domain name can never constitute a fair use under the Policy.

With respect to the third element, the Complainant argues that in March 2022, the Complainant and its sister company Omega SA officially announced a joint collaboration and launched the "Bioceramic MOONSWATCH" collection, a collection of watches combining the famous OMEGA MOONWATCH with the famous brand SWATCH and that the Respondent has leapt at the opportunity and opened online stores impersonating the Complainant and claiming to sell said watches for discounted prices. These products, which are highly demanded, are produced in limited quantities and sold only in the Complainant's physical

stores. They are neither distributed through authorized retailer network nor the Complainant's online stores. While products of the Complainant's collection are sold in the Complainant's physical stores for a consideration of USD 300, the Respondent claims to sell said products in new condition for an unrealistically low consideration of USD 84,45. The Respondent further creates confusion by wrongly making visitors of its websites believe to be endorsed and/or otherwise affiliated with the Complainant by using the Complainant's official logos prominently displayed in the header of its websites and by slavishly copying the Complainant's copyright protected material.

## **B. Respondent**

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

## **6. Discussion and Findings**

No communication has been received from the Respondent in this case. However, given that the Complaint was sent to the relevant addresses disclosed by the Registrar, the Panel considers that this satisfies the requirement in paragraph 2(a) of the UDRP Rules to "employ reasonably available means calculated to achieve actual notice". Accordingly, the Panel considers it can proceed to determine the Complaint based on the statements and documents submitted by the Complainant as per paragraph 15(a) of the Rules.

The applicable standard of proof in UDRP cases is the "balance of probabilities" or "preponderance of the evidence", and the Panel can draw certain inferences in light of the particular facts and circumstances of the case. See section 4.2, WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("[WIPO Overview 3.0](#)").

### **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 disputed domain name. [WIPO Overview 3.0](#), 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. [WIPO Overview 3.0](#), section 1.2.1.

The Panel finds the entirety of the mark is reproduced within the disputed domain names. Accordingly, the disputed domain names are confusingly similar to the mark for the purposes of the Policy. [WIPO Overview 3.0](#), section 1.7.

Although the addition of other terms here, "factory", "outlet", "uk", "usa", or a hyphen may bear on assessment of the second and third elements, the Panel finds the addition of such terms does not prevent a finding of confusing similarity between the disputed domain names and the mark for the purposes of the Policy. [WIPO Overview 3.0](#), 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.

Although 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 difficult 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 (although the burden of proof always remains on the complainant). If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element. [WIPO Overview 3.0](#), section 2.1.

Having reviewed the available record, the Panel finds the Complainant has established a *prima facie* case that the Respondent lacks rights or legitimate interests in the disputed domain names. 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 disputed domain names such as those enumerated in the Policy or otherwise.

There is no evidence that the Respondent is using the disputed domain names in connection with a *bona fide* offering of goods or services.

Rather, according to the unrebutted evidence provided by the Complainant, the websites at the disputed domain names allegedly offered for sale the Complainant's branded goods at discounted prices (in some cases around 50% discount), reproducing the Complainant's trademark and logo, as well as product images from the Complainant's websites. Under these circumstances, it is reasonable to infer that the products offered on the websites at the disputed domain names were most likely counterfeits of the Complainant's products. Even if the products were genuine, the lack of a prominent and accurate disclaimer on the website at the disputed domain names as to their relationship with the trademark owner or the lack thereof, would falsely suggest to Internet users that the websites to which the disputed domain names resolve are owned by the Complainant or at least affiliated to the Complainant, contrary to the fact.

Panels have held that the use of a domain name for illegal activity, here likely sale of counterfeit goods, impersonation/passing off, or other types of fraud can never confer rights or legitimate interests on a respondent. [WIPO Overview 3.0](#), section 2.13.1.

Furthermore, the nature of the disputed domain names, that include the Complainant's trademark in its entirety, together in majority of cases with terms related to a geographical location or the Complainant's business, carries a risk of implied affiliation and cannot constitute fair use as it effectively impersonates or suggests sponsorship or endorsement by the Complainant. See section 2.5.1 of the [WIPO Overview 3.0](#).

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 Complainant's registration and use of the relevant trademarks predate the date at which the Respondent registered the disputed domain names. The disputed domain names resolve to websites reproducing the Complainant's trademark and purportedly offering for sale the Complainant's products but at a much lower price. Given the distinctiveness and renown of the Complainant's trademarks, it is reasonable to infer that the Respondent has registered the disputed domain names with full knowledge of the Complainant's trademarks, and to target those trademarks. The use of the term "uk" or "usa" reinforces the impression that the disputed domain names are the Complainant's website, respectively for the UK, and USA market, and the use of the term "factoryoutlet" in one of the disputed domain names reinforces the impression that it is an outlet of the Complainant.

The disputed domain names resolve to websites which ostensibly offer counterfeits of the Complainant's products. As such, the disputed domain names suggest affiliation with the Complainant in order to attract consumers and offer counterfeit products.

Panels have held that the use of a domain name for illegal activity, such as the sale of counterfeit goods or impersonation/passing off, or other types of fraud constitutes bad faith. [WIPO Overview 3.0](#), section 3.4. Having reviewed the record, the Panel finds the Respondent's registration and use of the disputed domain names constitutes bad faith under paragraph 4(b)(iv) of the Policy.

Moreover, the Respondent has not formally participated in these proceedings and has failed to rebut the Complainant's contentions or provide any evidence of actual or contemplated good-faith use, and indeed none would seem plausible.

Based on the available record, the Panel finds that the Complainant has established 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 names, <swatchfactoryoutlet.com>, <swatchuk.com>, and <swatch-usa.com>, be transferred to the Complainant.

/Mihaela Maravela/

**Mihaela Maravela**

Sole Panelist

Date: December 21, 2023