

ARBITRATION AND MEDIATION CENTER

ADMINISTRATIVE PANEL DECISION

Swedish Match North Europe, Philip Morris International, Inc. v. Lan Pham Case No. D2024-3137

1. The Parties

The Complainants are Swedish Match North Europe, Sweden, (the "First Complainant") and Philip Morris International, Inc., United States of America ("United States"), (the "Second Complainant), represented by D.M. Kisch Inc., South Africa.

The Respondent is Lan Pham, United States.

2. The Domain Name and Registrar

The disputed domain name <zynrewards.store> is registered with NameCheap, Inc. (the "Registrar").

3. Procedural History

The Complaint was filed with the WIPO Arbitration and Mediation Center (the "Center") on July 31, 2024. On July 31, 2024, the Center transmitted by email to the Registrar a request for registrar verification in connection with the disputed domain name. On July 31, 2024, 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 Complainants on August 2, 2024, providing the registrant and contact information disclosed by the Registrar, and inviting the Complainants to submit an amendment to the Complaint. The Complainants filed an amended Complaint on August 6, 2024.

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 August 6, 2024. In accordance with the Rules, paragraph 5, the due date for Response was August 26, 2024. On August 6, 2026, the Center received an email communication from a third party. On August 7, 2024, the Complainants requested the suspension of the

proceedings in accordance with with paragraph 17(a)(i) of the Rules. The Center notified the Parties of the suspension of the administrative proceedings on the same date.

On August 19, 2024, upon the Complainants' request, the administrative proceedings were reinstituted. The Response due date was adjusted to September 7, 2024, but no Response was received. On September 11, 2024, pursuant to paragraph 6 of the Rules, the Center informed the Parties that it would proceed with the panel appointment process.

The Center appointed Wilson Pinheiro Jabur as the sole panelist in this matter on September 17, 2024. 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 First Complainant was founded in 1992 and is engaged in the business of manufacturing, marketing, and selling smoke free tobacco products, such as snus and nicotine pouches, which are sold in several countries. One of its products is the ZYN nicotine pouch, first launched in the United States in 2016, and presently available in around 15 markets across the world. The First Complainant was acquired by the Second Complainant in May 2022.

The First Complainant owns, among others, the following trademarks (Annexes 6 and 7 to the Complaint):

- European Union registration No. 015272487 for the word mark ZYN, registered on July 8, 2016, in international class 34:
- European Union registration No. 017579939 for the word and device mark ZYN, registered on March 23, 2018, in international class 34;
- International registration No. 1421212 for the word mark ZYN, registered on April 18, 2018, in international class 34; and
- International registration No. 1456681 for the word and device mark ZYN, registered on December 27, 2018, in international class 34.

The disputed domain name was registered on May 23, 2024, and presently does not resolve to an active webpage. In the past, the disputed domain name resolved to a "global e-commerce platform" "by Smoke Organic Store" prominently featuring the Complainants' official product images as well as purportedly offering the First Complainant's products in addition to t-shirts (Annex 8 to the Amended Complaint).

5. Parties' Contentions

A. Complainants

The Complainants contend that they have satisfied each of the elements required under the Policy for a transfer of the disputed domain name.

Notably, the First Complainant contends its ZYN trademark is a leading brand for nicotine pouches in the United States where it holds a 76% market share, having the ZYN trademark, as a result of the extensive international sales, achieved considerable international success and reputation.

According to the Complainants, the use made of the disputed domain name in connection with an online shop directed to the Unites States market, clearly purporting to be an official online retailer of the Complainants' ZYN nicotine product in the United States, as well as also offering third party products of other commercial origin, and third-party products which infringe the Complainant's ZYN trademark, does not characterize a bona fide offering of goods or services under the Policy, there further being clear indications

of the Respondent's attempt to create a false impression of affiliation with the Complainants as the inclusion of the designation "by Smoke Organic Store" in close conjunction with the First Complainant's registered ZYN logo.

Under the Complainants' view, the disputed domain name, which entirely reproduces the First Complainant's ZYN trademark with the addition of the nondistinctive and descriptive word "rewards", is confusingly similar to the First Complainant's ZYN trademark.

Regarding the absence of the Respondent's rights or legitimate interests, the Complainants argue that:

- (i) the Complainants have not licensed or otherwise permitted the Respondent to use any of their trademarks or to register a domain name incorporating their ZYN trademark (or a domain name which would be associated with this trademark);
- (ii) the Respondent is not making a legitimate noncommercial or fair use of the disputed domain name given that the Respondent is not an authorized distributor or reseller of the ZYN nicotine product and the online shop that used to be available at the disputed domain name was selling third party products of other commercial origin, as well as infringing products bearing the Complainants' ZYN trademark and/or the official product images;
- (iii) the criteria for a bona fide offering of goods or services as established in *Oki Data Americas, Inc. v. ASD, Inc.*, WIPO Case No. <u>D2001-0903</u>, are not met (given that the Respondent is not only offering the Complainants' products but also competing products and accessories of other commercial origin and products that infringe the Complainants' ZYN trademark);
- (iv) the disputed domain name in itself suggests at least an affiliation with the Complainants and their ZYN trademark, as the disputed domain name wholly reproduces the Complainants' registered ZYN trademark together with the addition of the non-distinctive and descriptive word "rewards";
- (v) the website to which the disputed domain name used to resolve reproduced the Complainants' official product images as well as official marketing material without authorization, while at the same time falsely claiming copyright in this material, what further supports the false impression that the disputed domain name is endorsed by the Complainants, which it is not; and
- (vi) the website to which the disputed domain name used to resolve, prominently and without authorization, presented the Complainants' registered logo appearing at the top of the website, as well as used the Complainants' official product within the tab interface of the website.

As to the registration and use of the disputed domain name in bad faith, the Complainants state that:

- (i) the Respondent knew of the Complainants' trademark when registering the disputed domain name;
- (ii) the term "zyn" is purely an imaginative term and unique to the Complainants, not commonly used to refer to tobacco products or electronic devices and therefore it is beyond the realm of reasonable coincidence that the Respondent chose the disputed domain name without intention of invoking a misleading association with the Complainants;
- (iii) the purpose of the Respondent's registration of the disputed domain name was to attract, for commercial gain, Internet users to the website by creating a likelihood of confusion with the Complainants' registered trademark as to the source, sponsorship, affiliation, or endorsement of its website;
- (iv) by reproducing the Complainants' registered trademarks in the disputed domain name and in the title of the website, the website at the disputed domain name suggested the Complainants or an affiliated dealer of the Complainants as the source of the website which is not the case; being this suggestion also supported by the Respondent's use of the Complainants' official product images; and

(v) the Respondent's choice to retain a privacy protection service to hide its true identity may in itself constitute a factor indicating bad faith (see WIPO Overview 3.0, section 3.6).

B. Respondent

The Respondent did not formally reply to the Complainants' contentions.

On August 6, 2024, the Center received an email communication from a third party stating, "We have closed this domain and will be permanently deactivated. Thank you!".

6. Discussion and Findings

Paragraph 4(a) of the Policy sets forth the following three requirements, which have to be met for this Panel to order the transfer of the disputed domain name to the Complainants:

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

The Complainants must prove in this administrative proceeding that each of the aforementioned three elements is present in order to obtain the transfer of the disputed domain name.

In accordance with paragraph 14(a) of the Rules, if the Respondent does not submit a Response, in the absence of exceptional circumstances, the Panel shall decide the dispute based upon the Complaint.

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 Complainants' trademark and the disputed domain name. WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition, ("WIPO Overview 3.0"), section 1.7.

The Complainants have 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 entirety of the mark is reproduced within the disputed domain name. Accordingly, the disputed domain name is 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, "rewards") may bear on assessment of the second and third elements, the Panel finds the addition of such term does not prevent a finding of confusing similarity between the disputed domain name and the mark for the purposes of the Policy. WIPO Overview 3.0, section 1.8.

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.

The Respondent, in not formally responding to the Complaint, has failed to invoke any of the circumstances, which could demonstrate, pursuant to paragraph 4(c) of the Policy, any rights or legitimate interests in the disputed domain name. This entitles the Panel to draw any inferences from such default, as it considers appropriate, pursuant to paragraph 14(b) of the Rules. Nevertheless, the burden of proof is still on the Complainant to make at least a prima facie case against the Respondent under the second UDRP element.

In that sense, and according to the evidence submitted, the Complainants have made a prime facie case that the Respondent has not been commonly known by the disputed domain name and is neither an authorized reseller of the Complainants' ZYN tobacco products nor has it been licensed or otherwise permitted to use any of the Complainants' trademarks or to register a domain name incorporating their ZYN trademark.

Also, according to the evidence submitted by the Complainants, the use made of the disputed domain name in connection with an online shop allegedly offering the Complainants' products, unauthorizedly reproducing the Complainants' official marketing materials and product images, clearly suggest at least an affiliation with the Complainants, which in fact does not exist.

Moreover, selling third parties' competing products at the online shop that resolved from the disputed domain name does not meet the criteria established in *Oki Data Americas, Inc. v. ASD, Inc, supra*.

Under these circumstances and absent evidence to the contrary, the Panel finds that the Respondent does not have rights or legitimate interests with respect to the disputed domain name.

C. Registered and Used in Bad Faith

The Policy indicates in paragraph 4(b)(iv) that bad faith registration and use can be found in respect of a domain name, where a respondent has intentionally attempted to attract, for commercial gain, Internet users to the respondent's website or other online location, by creating a likelihood of confusion with a complainant's mark as to the source, sponsorship, affiliation, or endorsement of the website or location or of a product or service on the website or location.

In this case, both the registration and use of the disputed domain name in bad faith can be found pursuant to Policy, paragraph 4(b)(iv) in view of the reproduction of the Complainants' official marketing materials and purportedly offering the Complainants' products at the online shop that used to be available at the webpage relating to the disputed domain name, which creates a likelihood of confusion with the Complainants' marks as to the source, sponsorship, affiliation, or endorsement thereof.

Moreover, bad faith of the Respondent is also supported here by (i) the choice to retain a privacy protection service in an attempt to conceal the Respondent's true identity; (ii) the lack of reply by the Respondent invoking any rights or legitimate interests in the disputed domain name; and (iii) the false or incomplete information used by the Respondent for registering the disputed domain name, since the Written Notice issued by the Center to give notice of the present proceedings could not be delivered to the Respondent by courier service.

For the reasons above, the Respondent's conduct has to be considered, in this Panel's view, as bad faith registration and use of the disputed domain name.

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 <zynrewards.store> be transferred to the Complainants.

/Wilson Pinheiro Jabur/ Wilson Pinheiro Jabur Sole Panelist

Date: September 27, 2024