

EXPERT DECISION

Invasight SA v. Domains By Proxy, LLC / Name Redacted
Case No. DCH2022-0014

1. The Parties

The Claimant is Invasight SA, of Switzerland, represented by Homburger, Switzerland.

The Respondents are Domains By Proxy, LLC, United States of America (“United States”) / Name Redacted, United States represented internally.

2. The Domain Name

The dispute concerns the following domain name <invasight.ch>.

3. Procedural History

The Request was filed with the WIPO Arbitration and Mediation Center (the “Center”) on August 25, 2022. On August 25, 2022, the Center transmitted by email to SWITCH, the “.ch” and “.li” registry, a request for verification in connection with the disputed domain name. On August 26, 2022, SWITCH and GoDaddy.com LLC (the “Registrar”) transmitted by email to the Center their verification response, disclosing registrant and contact information for the disputed domain name, which partially differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Claimant on August 26, 2022, providing the registrant and contact information disclosed by the Registrar and SWITCH, and inviting the Claimant to submit an amendment to the Request. The Claimant filed an amended Request on August 31, 2022. The Center verified that the Request together with the amended Request satisfied the formal requirements of the Rules of procedure for dispute resolution procedures for “.ch” and “.li” domain names (the “Rules of Procedure”), adopted by SWITCH, on January 1, 2020.

In accordance with the Rules of Procedure, paragraph 14, the Center formally notified the Respondent of the Request, and the Dispute resolution procedure commenced on September 1, 2022. In accordance with the Rules of Procedure, paragraph 15(a), the due date for the Response was initially September 21, 2022.

The Respondent did not expressed its readiness to participate in a conciliation, and, following several extensions of time, filed a Response on November 14, 2022.

On October 21, 2022, the Center appointed Anne-Virginie La Spada as Expert in this case. The Expert finds that it was properly appointed. In accordance with the Rules of Procedure, paragraph 4, the above Expert has declared her independence of the parties.

3. Factual Background

The Claimant is a Swiss company that was registered in the Registry of Commerce of the Canton of Zurich on September 22, 2020. Its purpose is the research, development and marketing of drugs for the treatment of human diseases.

One of the Claimant's founder first registered the domain name <invasight.com> on October 24, 2018.

The Claimant's founders used the name "Invasight" to refer to their start-up before the incorporation of the Claimant and its registration in the Registry of Commerce. The name "Invasight" is mentioned in reference to the founders' start-up in articles published on the website <venturekick.ch> in February 2019 and June 2019.

The Respondent and Claimant's founders met in or around June 2019.

The name "Invasight" appears in the signature block of an email dated July 5, 2019 from one of the Claimant's founder to the Respondent. Another email dated July 7, 2019 from one of the Claimant's founder to the Respondent included the following sentence: "Invasight is a Swiss-based early-clinical stage biotech start-up."

The Claimant submitted with its Request a non-disclosure agreement dated July 3, 2019, in which the parties were described as "Invasight (company in formation)" as the disclosing party and the Respondent (and its director) as the recipient. The Respondent submitted excerpts of another agreement entitled "Strategic Advisory Agreement", dated July 15, 2019, between "Invasight (company in formation)" and the Respondent.

The Respondent registered the disputed domain name on July 17, 2019.

In June 2022, the Claimant announced the closing of a CHF 4,5 million seed round. A dispute arose between the parties regarding the Respondent's entitlement, or absence thereof, to a percentage of the investments granted or to be granted.

On August 3, 2022, the disputed domain name directed to an active website displaying the name "Invasight" in a prominent manner. The Respondent's name was featured in the copyright notice at the bottom of one page ("© 2022 – Name Redacted. ALL RIGHTS RESERVED). Various statements regarding the Claimant's alleged dishonesty and fraudulent behavior towards the Respondent were posted on this website, including accusations of dishonesty, concealment, promissory fraud and intentional misrepresentation. Also visible on the website were extracts of email and text messages between the Claimant's founders and the Respondent, as well as between the Claimant's founders and potential investors.

These contents were subsequently removed. At the date of the decision, the disputed domain name directs to a website displaying the name "Invasight" prominently at the top of the home page, over a graphic element, and, in smaller characters at the bottom of the page, the copyright notice "© 2019-2022. NAME REDACTED. ALL RIGHT RESERVED". The contact form available on one page of the website mentions the name and address of the Respondent. On the page "About", the webpage features the title "WEB 3.0 WEBSITE DESIGN", with the mentions "Defi Site Design" and "Metaverse Site Design".

Whether and when the parties' contractual relationship ended and what obligations the contracts entailed for them is not established.

4. Parties' Contentions

A. The Claimant

The Claimant alleges that the Respondent has registered a domain name that is identical to its registered

business name and its name, thus creating a risk of confusion and deception with the Claimant. The Respondent infringes therefore the Claimant's right to a distinctive sign in violation of Art. 956 of the Swiss Code of Obligations ("SCO") and of art. 29 of the Swiss Civil Code ("SCC").

The Claimant further argues that the registration and use of the disputed domain name constitute acts of unfair competition under the Swiss Unfair Competition Act ("UCA").

According to the Claimant, the Respondent registered the disputed domain name only to prevent the Claimant to use it. Indeed, the Claimant observes that the Respondent does not offer any services or goods nor does it present other images or articles apart from content related to the Claimant. The Claimant alleges a violation of Art. 2 UCA.

Furthermore, the Claimant contends that the Respondent publicly denigrated the Claimant by making disparaging allegations against it. Such content is likely to influence the Claimant's relationship with its current or potential investors and future clients. As a result, the Claimant argues that the Respondent is acting in violation of Art. 3 para. 1 let. a UCA.

Finally, the Claimant contends that the Respondent also breached the Claimant's personality rights protected by Art. 28 SCC by divulging private conversations between the Claimant and the Respondent.

The Claimant requests that the disputed domain name be transferred to it.

B. The Respondent

The Respondent contends that it registered the disputed domain name to help the Claimant.

The Respondent alleges that contrary to the Claimant's affirmation, a service agreement (namely the strategy advisory agreement) was entered into between the parties in July 2019, and that in June 2022, the Claimant agreed to the payment of a fee to the Respondent.

The Respondent alleges that the Claimant has provided no evidence of a right in a distinctive sign under the law of Switzerland. According to the Respondent, another domain name <invasight.com> was registered by one of the founders of the Claimant but not the Claimant itself, thus proving that the domain name does not belong to the Claimant. The Claimant has also no registered trademarks. Furthermore, the Respondent points out that the extract of the Commercial Register of the Canton Zurich bears the mention that it is not legally binding with the consequence that, according to the Respondent, the Claimant has not proven that it has a right to the protection of a business name.

Since in its view the Claimant has no right in a distinctive sign, the Respondent considers that the disputed domain name does not infringe any distinctive sign. The Respondent alleges that even if the Claimant had a right in a distinctive sign, it has not proven a "clear infringement" of said sign because:

(1) there exists no risk of confusion of products or services between the Claimant's nonexistent products or services and the Respondent's services;

(2) Claimant's non-existent products or services do not garner protection per article 15 of the Swiss Trademark Act, as they do not meet the "famous" or "very well known" trademark status;

(3) Claimant's non-existent products or services do not garner protection per article 3(d) under the Unfair Competition Act (UCA);

(4) The disputed domain name does not constitute a "use of the Claimant's name" or a "clear infringement" of articles 956 of the Swiss Code of Obligations (SCO) and article 29 of the Swiss Civil Code (SCC); and

(5) The Respondent registered the disputed domain name in good faith to help the Claimant and not to obstruct the Claimant's business.

The Respondent contends that it only told the truth about the Claimant on its website and that it was exercising its right of free speech, with the purpose of warning of the business community about the Claimant's allegedly fraudulent business practices.

The Respondent requests that the Request be denied.

5. Discussion and Findings

5.1 Procedural issues

The Request was initially directed against Domains by Proxy, LLC and Name Redacted. The Registrar informed the Center that the registrant of the disputed domain name was Name Redacted. The Claimant amended the Request accordingly, substituting Name Redacted. The Respondent subsequently informed the Center that Name Redacted was the "*rightful owner*" of the disputed domain name. The Expert finds accordingly that the Respondent Name Redacted was properly added as the Respondent in the proceedings.

Before the Expert's nomination, the Respondent requested that the Center refrain from communicating its Response to the Claimant on the ground that it contained confidential information. The Center deferred the decision on this question to the Expert.

By Procedural Order no. 1 sent to the parties on November 8, 2022, the Expert held that the Rules of Procedure do not allow for the withholding of the response or parts thereof from the other party. The Expert imparted a deadline of November 14, 2022 to the Respondent to amend its Response and withdraw any information that the Respondent should consider confidential. The Respondent sought an additional extension of time, which the Expert refused, by effect of Procedural Order no. 2, on the ground that the Respondent had already been granted several extensions since the initial response deadline of September 21, 2022. The Respondent filed an amended Response within the deadline set in Procedural Order no. 1, and this amended Response was communicated to the Claimant.

The Claimant submitted an unsolicited supplemental filing on November 16, 2022 in the form of an email, with copy to the Respondent. The Claimant offered comments on the Response but did not allege new facts or new legal grounds and no additional evidence was adduced. The Respondent submitted an unsolicited response to the Claimant's email on December 5, 2022.

The Expert, in accordance with paragraph 21 of the Rules of procedure, has decided not to take into consideration the parties' supplemental filings and even if considered these would have not affected the outcome of the decision.

5.2 Discussion and Findings on the merits

According to the Rules of Procedure, paragraph 24(c), the expert shall grant the request if the allocation or use of the domain name constitutes a clear infringement of a right in a distinctive sign which the claimant owns under the law of Switzerland.

Paragraph 1 of the Rules of Procedure defines a "right in a distinctive sign as any right recognised by the legal system devolving from the registration or use of a sign, which protects the holder of the right from infringement of his interests as the result of registration or use of an identical or similar sign by third parties, including, but not limited to, the right in a registered business name, a personal name, a trade mark, a geographical indication and the defensive rights devolving from the law on unfair competition."

According to paragraph 24(d) of the Rules of Procedure, a clear infringement of an intellectual property right exists when:

- i. both the existence and the infringement of the claimed right in a distinctive sign clearly result from the wording of the law or from an acknowledged interpretation of the law and from the presented facts and are proven by the evidence submitted; and
- ii. the respondent has not conclusively pleaded and proven any relevant grounds for defence; and
- iii. the infringement of the right justifies the transfer or revocation of the disputed domain name, depending on the remedy requested in the request.

A. The Claimant has a right in a distinctive sign under the law of Switzerland

The Claimant's business name Invasight SA was registered in the Registry of Commerce of the Canton of Zurich on September 22, 2020. There is no reason to doubt the validity of such registration, which the Expert was able to verify on the publicly accessible online service of the Federal Registry of Commerce.

Under Swiss law, registered business names are protected under Art. 956 of the Swiss Code of Obligations (SCO). According to Art. 956 para. 1 SCO, the registration of a business name in the Registry of Commerce confers to its owner the exclusive right to its use.

Accordingly, the Claimant has established a right to a registered business name valid under Swiss law.

Unregistered business names used in the course of trade are also protected by Art. 29 of the Swiss Civil Code (SCC), regardless of registration in the Registry of commerce.

The Claimant has also established a right to a name according to Art. 29 SCC.

In view of the above, the Claimant has provided sufficient evidence that it has a right in a distinctive sign protected in Switzerland, in accordance with paragraph 24(d)(i) of the Rules of Procedure.

B. The allocation or use of the disputed domain name constitutes a clear infringement of a Right in a distinctive sign which the Claimant owns under the law of Switzerland

a) A clear infringement of Claimant's rights to its registered business name

According to Article 956 para. 2 SCO, a party whose interests are injured by the unauthorized use of a registered business name may apply for an injunction banning further abuse of the business name. This legal provision protects a registered business name against the use of an identical or similar sign "as a business name". Any use of a distinctive sign which is in immediate connection with the commercial activity, such as the use of the sign in directories or business papers, constitutes use as a business name according to case law (see the decision of the Swiss Supreme Court in ATF 131 III 572 c. 3). As soon as the sign can be understood as designating an enterprise or company, it must be assumed that it is used as a business name (I. Cherpillod, in *Commentaire Romand - Code des Obligations II*, 2nd edition, Basel 2017, ad Art. 956 SCO N 3).

In the present case, the disputed domain name is identical to the Claimant's registered business name "Invasight". The only difference with the Claimant's business name lies in the absence of the letters "SA", which stand for "Société Anonyme" and merely indicate the legal form of the company.

Furthermore, the disputed domain name is used in connection with an active website, the home page of which features the business name "Invasight" in a prominent manner. The first impression of a visitor of the Respondent's website is that it is the website of an entity named "Invasight", due its presence in the URL and the prominent display of the business name. The fact that the name "Invasight" is not a dictionary word

reinforces this impression. The presence in smaller characters of the Respondent's name in a copyright notice at the bottom of the page is not sufficient, in the Expert's opinion, to dispel the confusion created by the described use of the Complainant's business name in the disputed domain name and the Respondent's website.

The fact that the registration of the disputed domain name predates the Claimant's incorporation and entry in the Registry of commerce does not prevent a finding of an infringement of the Claimant's registered business name and or of its name in the particular circumstances at issue.

First, it does not seem that the Respondent used the disputed domain name in connection with an active website before the date of incorporation of the Claimant.

Moreover, when it registered the disputed domain name on July 17, 2019, the Respondent knew that the Claimant's founders intended to name their company "Invasight", as evidenced in particular by the designation "Invasight (in formation)" as the name of the party contracting with the Respondent in the agreements signed on July 3 and 15, 2019. In its response, the Respondent claims that it registered the disputed domain name "to support Invasight SA". Against this background, the Respondent appears to have registered the disputed domain name for the benefit of the Claimant. In these circumstances, the Respondent may not invoke the fact that it registered the disputed domain name before the incorporation and entry of the Claimant in the Registry of commerce to justify the subsequent use of the disputed domain name in a manner that causes confusion with the Claimant registered business name.

The Expert is therefore of the view that the Claimant has establish a clear infringement of its right in its registered business name under Art. 956 para. 2 SCO.

b) A clear infringement of the Claimant's right to a name according to Art. 29 SCC

According to the Swiss Supreme Court, "the identification function of domain names means that they must be sufficiently distinct from distinctive signs belonging to third parties and protected by an absolute right, such as the right to a name" (Swiss Supreme Court, ATF 128 III 353). Thus, the right to a name within the meaning of Article 29 para. 2 SCC may be invoked if a "characteristic element of the business name is used by a third party, for example as a [...] a domain name [...]" (I. Cherpillod, in Commentaire Romand - Code des Obligations II, 2nd edition, Basel 2017, ad Art. 956 SCO N 16).

According to Art. 29 para. 2 SCC, a person who is harmed by the undue appropriation of his or her name may bring an action to have it stopped. An appropriation is undue when it creates confusion between two persons, or when it creates the impression of an association between two persons. Art. 29 para. 2 SCC protects the names of both natural and legal persons.

The disputed domain name is identical to the Claimant's business name "Invasight". As previously explained above, the use of the disputed domain name in connection with an active website displaying the name of the Claimant in a prominent manner is likely to create confusion, as visitors are likely to believe that they have arrived on the Claimant's website.

As mentioned above, the evidence on file shows that the Claimant's founders used the business name "Invasight" in the course of trade since at least February 2019, and that this was the chosen name of their future company. When the Respondent registered the disputed domain name on July 17, 2019, the Claimant's founders already had a right to this business name under Art. 29 SCC. The Respondent, who contends that it registered the disputed domain name to support the Claimant, does not claim that it had a better right to such name at the time of registration.

The Expert is therefore of the view that the Claimant has establish a clear infringement of its right in its name under Art. 29 para. 2 SCC.

c) A clear infringement of unfair competition rules

The Claimant claims that the Respondent has committed a violation of Article 2 and of Article 3 para. 1 letter a of the Federal Act against Unfair competition ("UCA").

The Respondent disputes the application of the UCA on the ground that the parties are not competitors. However, this does not prevent the application of the UCA. This statute applies to any behaviour which may have an influence on competition in Switzerland. In the present case, even if the parties are not competitors, the Respondent's use of the disputed domain name in connection with an active website with disparaging or confusing content may impact the Claimant's position on the market, by putting it at a disadvantage compared to its competitors, and thus have an effect on competition in Switzerland.

i) Article 2 UCA

Under Swiss law, "any deceptive behavior or business conduct or conduct in any other way contrary to the principle of good faith which influences the relationship between competitors or between suppliers and customers" is unfair and unlawful according to the so-called general clause of Article 2 UCA.

In the present case, the actual intent of the Respondent when it registered the disputed domain name is unknown. In the present proceedings, the Respondent himself claims that the purpose of the registration was to "*support Invasight SA*". If indeed the Respondent registered the disputed domain name in the interest of the Claimant, the Respondent's use of the disputed domain name without the Claimant's consent, and against the Claimant's interests, goes against the principle of good faith.

In August 2022, the Respondent used the disputed domain name to publish accusations of fraud against the Claimant, as well as excerpts of email or message correspondence with the Claimant's founders and/or between the founders and potential investors. Said content was subsequently removed but the Respondent continued using the name "Invasight" as the main element of an otherwise almost empty website.

In view of the above, the Respondent seems to have no use of the disputed domain name other than to publish content about the Claimant. There is therefore reason to believe that the Respondent holds the disputed domain name mainly to prevent the Claimant from using it or to apply pressure on the Claimant in the context of the parties' dispute regarding the Respondent's claim for payment of fees, by exposing the Claimant to the risk that present or future investors will be attracted to the Respondent's website (believing it to be the Claimant's website) and find either accusatory statements or a website that could be mistaken with a website operated by the Claimant.

The Expert considers that such use of the disputed domain name clearly violates the principle of good faith under Art. 2 UCA and constitutes an unfair act which is detrimental to Claimant's interests.

On this basis, in view of the specific circumstances of this case, this Expert considers that the Respondent's use of the disputed domain name constitutes a clear infringement of Swiss unfair competition law under Article 2 UCA

ii) Art. 3 para. 1 letter a UCA

According to Art. 3 para. 1 let. a UCA, anyone who disparages another person, his goods, works, services, prices or business by making inaccurate, false or unnecessarily hurtful allegations is acting unfairly.

An allegation may be unlawful under Art. 3 para. 1 let. a UCA because it is inaccurate, *i.e.* contrary to reality, or because, although accurate in itself, it is unnecessarily hurtful, *i.e.* it gives the competitor, or his services in the broad sense, a negative, outrageous image that cannot be justified by the economic struggle (Swiss Supreme Court, 4C. 171/2006 of 16 May 2007, para. 6.1).

In the light of the principles set out above, the Respondent's argument that it is telling the truth does not automatically exclude unfair conduct within the meaning of Article 3 para. 1 let. a UCA.

This being said, it is not certain, in the Expert's view, that an infringement of Art. 3 para. 1 letter a UCA can be the basis for admission of a request under the Rules of Procedure. Paragraph 24(c) of the Rules of Procedure contemplates a clear infringement of a "right in a distinctive sign", whereas this provision of the UCA does not protect the distinctive function of a name or sign, but rather the reputation of the person identified by a name or sign reproduced in the denigrating allegations.

In any event, it falls outside of the Expert's task to assess whether the accusations brought against the Claimant's and its founders (which relate to the performance of commercial agreements unrelated to the disputed domain name) are accurate or not, respectively whether they are unnecessarily hurtful. These questions are outside the scope of these proceedings and would be for the competent courts to decide.

Accordingly, the question whether the Respondent committed an infringement of Art. 3 para. 1 let. a UCA will be left open.

iii) Art. 3 para. 1 letter d UCA

According to Article 3, paragraph 1 letter d of the UCA, whoever "takes measures which are likely to cause confusion with the goods, works, services or business operations of another person" acts unfairly.

As business identifiers, domain names are subject to the fair trading principle of unfair competition law (ATF 128 II 353, cons. 4).

In the present case, the disputed domain name identically reproduces the Swiss registered business name of the Claimant with the country code Top-Level Domain ".ch". As set forth above, the Respondent uses it in connection with a website that is likely to be confused by Internet users with a website operated or at least approved by the Claimant.

What was said about the risk of confusion in the section 5.2.B (a) regarding the infringement of the Claimant's registered business name is applicable here, and the Expert therefore finds that the Respondent's use of the disputed domain name infringed upon Art. 3 para. 1 letter d UCA.

d) Other legal grounds raised by the Claimant

The Claimant invokes a violation of its personality rights, namely a right to honor and right to privacy under Art. 28 SCC.

The Expert doubts that such rights may be invoked under the Rules of Procedure, as they do not protect the right to a distinctive sign, but rather the personality of the bearer of the name. Furthermore, personality rights are not mentioned in paragraph 24 of the Rules of Procedure among the examples of the rights that may be invoked in support of a request.

As the Expert reached the conclusion that there is a clear infringement in a right to a distinctive sign on other legal grounds, this question may be left open.

C. The Respondent has not conclusively pleaded and proven any relevant grounds for defence

The Respondent has not submitted any allegation that would support a finding that it has a better right to the disputed domain name or a particular need for it. The disputed domain name does not have any descriptive meaning, and it does not correspond to the name of the Respondent.

The Respondent submitted evidence that it filed a trademark application for INVASIGHT in the United States on September 1, 2022 with application no. 97573469, but this application was filed after the filing of the Request on August 25, 2022.

The Respondent itself alleges that it registered the disputed domain name to support the Claimant. This tends to confirm that the Respondent does not itself have right to such name.

Since the Respondent has not put forward any conclusive grounds for defense that would rebut the Claimant's representations or justify its own legitimate interest, and having regard to the submissions, the Expert finds that the Claimant has fulfilled the conditions of paragraph 24(c) and (d) of the Rules of Procedure.

As a result, the Expert finds that the transfer of the disputed domain name to the Claimant is justified.

As a final remark, the Expert stresses that the present decision does not concern the issue whether the Respondent may have a claim for payment against the Claimant deriving from their 2019 agreement(s). This issue is outside the scope of this procedure and potentially would be for competent courts to decide.

6. Expert Decision

For the above reasons, in accordance with paragraph 24 of the Rules of Procedure, the Expert orders that the disputed domain name <invasight.ch> be transferred to the Claimant.

Anne-Virginie La Spada

Expert

Date: December 6, 2022