Decision for dispute CAC-UDRP-103277

Case number	CAC-UDRP-103277
Time of filing	2020-09-15 12:43:55
Domain names	PEPSSICO.NET

Case administrator

Name	Olga Slanařová (Case admin)

Complainant

Organization	PepsiCo, Inc.

Complainant representative

Organization	RiskIQ, Inc. c/o Jonathan Matkowsky

Respondent

Name	Alami Fayek {PI}

OTHER LEGAL PROCEEDINGS

The Panel I not aware of any other legal proceedings.

IDENTIFICATION OF RIGHTS

Complainant is PepsiCo, Inc., a company mainly specialized in soft drinks. With its subsidiaries, Complainant is selling its products in more than 200 countries and territories. Complainant owns trademark rights in the PEPSI sign that was placed at the 22nd position of the most famous trademarks in the world, in 2019, according to Interbrand.

Complainant owned several registered trademarks over the world, including PEPSI, PEPSICO and PEPSI-COLA. Among others, including:
- United-Kingdom trademark PEPSI No. 978461, of July 29, 1971, designating goods in class 32, duly renewed since then;
- European Union trademark PEPSI No. 105247, of April 1, 1996, designating goods in classes 25 and 32, duly renewed since then;
- Mexican trademark PEPSICO No. 950496, of August 18, 2006, designating goods in class 32, duly renewed since.
- European Union figurative trademark PEPSICO, No. 13357637, of October 13, 2014, designating goods and services in classes 16, 29, 30, 32, 35, 36 and 41.

Complainant also owns several domain names, such as:
- <pepsico.net> registered on January 1st, 1985;

- <pepsi.com> registered on January 14, 1993;

- <pepsico.com> registered on October 19, 1993;

- <mypepsico.com> registered on July 1, 2003.

Respondent is Alami Fayek, an individual located in South Africa.

Respondent registered the disputed domain name <pepssico.net> on August 23, 2020.

FACTUAL BACKGROUND

FACTS ASSERTED BY THE COMPLAINANT AND NOT CONTESTED BY THE RESPONDENT:

Per CAC's stated preferred-practice and the Policy, the Policy, together with the applicable domain name registration agreement to which the disputed domain name ("Domain") is subject, are included as Annexes 1 and 2. The relevant page of any referenced Annex cited in the Complaint is referred to throughout the Complaint as "Annex __, at ___," which refers to the particular page number(s) in the annexed PDF document identified in the Schedule of Annexes. The appropriate citation in the Complaint referred to as "[FN__]" refers to the enumerated footnote in the Schedule of Citations preceding the Schedule of Annexes.

To succeed in its claim, Complainant must demonstrate that the three elements enumerated in paragraph 4(a) of the Policy have been satisfied, specifically: (i) the Domain is identical or confusingly similar to a trademark or service mark in which Complainant has rights; (ii) Respondent has no rights to or legitimate interests in respect of the Domain; and (iii) Respondent has registered and is using the Domain in bad faith. The relevant standard of proof is the “balance of probabilities” [FN1].

[A] PepsiCo’s Background and the PEPSI, PEPSICO, and PEPSI-COLA Marks

Products of PepsiCo, Inc. ("Complainant") and its consolidated subsidiaries (collectively, "PepsiCo") are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. [FN2]. Last year, PepsiCo generated more than $67 billion in net revenue, driven by a complementary food and beverage portfolio that includes Pepsi-Cola. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 23 brands, such as the flagship PEPSI brand, that generate more than $1 billion each in estimated annual retail sales. Id.

PEPSI is one of the world's most iconic and recognized consumer brands globally [FN3]. It has been used for soft drinks since 1911 as a shortened version of the PEPSI-COLA mark that first denoted PepsiCo's soft drinks in 1898 [FN4]. Indeed, PEPSI, PEPSICO and PEPSI-COLA are famous and well-known marks [FN9, FN5], which this Panel may confirm on its knowledge ex officio [FN6]. PepsiCo also owns numerous registrations for PEPSICO both in standard characters (e.g., Mexican Reg. 950496, in Class 32) as well as with design elements covering a wide variety of goods. There are hundreds of "PepsiCo," "Pepsi-Cola," and "Pepsi" entities within PepsiCo supporting Complainant's business [FN7]. PepsiCo relies on numerous domains comprised of the "PepsiCo," "Pepsi-Cola," and "Pepsi" strings, including <pepsi.com>, <pepsico.com>, <mypepsico.com> and many others. It is the registrant of <pepsico.net> for over a decade.

There are over nine hundred active registrations for PEPSI-variant marks reflected in the WIPO Global Brand Database. For example, PEPSI is registered since 1985 in the United States for a wide variety of goods and services from key chains to beach towels and clothing for use since at least the 1970s. Other representative registrations in Annex 4 include U.S. Reg. Nos. 824,150 and '151 for PEPSI and PEPSI-COLA, first used in 1898, and other registrations from the United Kingdom, European Union, and Canada made of record.

PepsiCo has received widespread recognition from numerous firms. Some of its recent awards and honors are included on its website [FN8].

[B] The Domain is Identical or Confusingly Similar to a Mark in which the PepsiCo has Rights within the Meaning of Policy, paragraph 4(a)(i)).

The Domain is a typographical misspelling of PEPSICO, adding an extra letter "s" in the PEPSICO mark. "The [legacy generic] top level domain [“.net”] is to be neglected in this respect." [FN9]. A domain name which consists of an intentional misspelling of a trademark with no other meaning in context is considered by panels to be confusingly similar to the relevant mark for purposes of the first element" [FN10].

The Domain is confusingly similar because it contains the entire "distinctive and widely known" PEPSICO mark [FN11], differing only by a close, intentional misspelling, registered and being used so that customized emails sent to or labelled as "From" an email account on the Domain appear as if they are being sent to or from a legitimate PepsiCo email account on the [<pepsico.net>] domain name [FN12].

Therefore, the Domain is confusingly similar to a mark "and the company name PEPSICO" [FN3, Othman] in which the Complainant has rights in accordance with paragraph 4(a)(i).

[C] Respondent has no Rights or Legitimate Interests Within the Meaning of Policy, paragraph 4(a)(ii).

Respondent is not licensed or otherwise authorized to use Complainant´s name or mark in any way, and Complainant has not given Respondent permission to use its name or mark in the Domain. Respondent is not commonly known by the Domain to have demonstrated that it has rights or legitimate interests.

"There is no website on the disputed domain name and the disputed domain name, therefore, does not constitute a bona fide offering of goods and services or a legitimate noncommercial fair use." [FN5, Gtech; FN15].

"The Complainant's mark is very well-known. The company has been operating under various brands and marks for over a century, and its core brand ‘PEPSI’ is found to be one of the leading global brands." [FN3; FN8].

One "cannot imagine a situation where a registrant would identify text such as that in the disputed domain name, and register such a domain name, without knowledge of the Complainant's fame, name, and activities." [FN3].

Respondent registered the disputed domain to perpetuate harmful cyber activity consisting of Business Email Compromise (BEC) fraud—also known as email account compromise (EAC)—one of the most financially damaging online crimes [FN13].

"Business Email Compromise is a sophisticated scam targeting businesses that perform electronic payments such as wire or automated clearing house transfers. The scam is frequently carried out when a subject compromises legitimate business email accounts through social engineering or computer intrusion techniques resulting in an unauthorized transfer of funds." FN13 (related FBI News and Multimedia 4.13.20).

Specifically, within 24 hours from when the Domain was created on August 23, someone masquerading as an individual within the finance department of Complainant requested vendors to re-direct invoice payments to a different bank account, and then urged the vendors to urgently confirm payment. These emails impersonating Complaint employees were sent to email accounts using the Domain and targeting Complainant vendors. Annex 6. Respondent also set up and configured mail servers (MX) records on the Domain, so that emails intended for Complainant would be sent to email accounts on the Domain controlled or managed by Respondent. Id., at 3.

The email envelope was from the person at PepsiCo being impersonated "@pepssico.net" attempting to re-direct funds to the fraudsters by deceiving vendors into mistakenly believing the emails requesting urgent payment were originating from the <pepsico.net> domain name. Id., at 5.

"Such use of a domain name for illegal activity can never confer rights or legitimate interests on a Respondent." [FN5, FN9]. Accordingly, Respondent has no rights or legitimate interest in respect of the disputed domain name within the meaning of

paragraph 4(a)(ii) of the Policy.

D. The Domain has been Registered and is Being Used in Bad Faith within the Meaning of the Policy.

"Respondent...attempted to commercially exploit the trademark significance given the disputed domain name was used to lure" Complainant's vendors into sending funds to the Respondent intended for Complainant by using emails sent from and to the Domain for a BEC scam [FN9]. "The fact the website does not resolve currently to an active website is immaterial as even a respondent's failure to make an active use of a domain name may satisfy the requirements of paragraph 4(a)(iii) ..." [FN9]. "Here, the disputed domain name, which is actually configured to host mail records, and is also likely being used to send fraudulent emails for the Respondent's own commercial gain...pretending to be someone associated with the Complainant's business constitutes bad faith registration and use of the disputed domain name." [FN9].

Panels have found that the mere registration of a domain name incorporating a typo of PEPSICO, a famous and widely-known trademark by an unaffiliated entity creates a presumption of bad faith because it may be inferred that the Respondent, at the time it registered the domain name, knew of Complainant's exclusive rights in the famous and well-known PepsiCo names and marks, and that such use evidences an attempt to intentionally attract, for commercial gain, Internet users to its website or other on-line location under paragraph 4(b)(iv); and that it creates a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the Respondent’s website or on-line location per the Policy; and that given the fame of the name and marks, it may be presumed that the Respondent intended to commercially exploit the trademark significance to set up mail (MX) records specifically to enable custom email accounts on the Domain that would inevitably result in misdirected communications to the Respondent intended for the Complainant, and/or emails that confuse recipients into thinking they were sent from an email account that is under the Complainant's management and control. [FN14].

Panels have also noted that even without evidence that the custom email accounts have actually been used in attempted BEC as is evidenced in this case, merely configuring mail servers on a domain name evidences that the domain name is being used for the generation of custom email accounts, and that bad faith regarding the use of a domain name can be found in relation to uses other than websites, such as where a Respondent uses a domain name to send deceptive emails, such as BEC, including soliciting payment [FN3, Othman], including from Complainant's vendors.

For all of the foregoing reasons, paragraph 4(a)(iii) of the Policy has been satisfied.

SCHEDULE OF CITATIONS

FN1 Intesa Sanpaolo S.p.A. v. Ida Ekkert, CAC Case No. 102263 (internal citation omitted)

FN2 https://perma.cc/ (Apr. 16, 2020 Press Release on 2019 Annual Report); https://perma.cc/ (2019 Annual Report)

FN3 E.g., PepsiCo, Inc. v. Allen Othman, CAC Case No. 102380 (2020-07-07) (transferring <pepsicco.com>) ("Complainant's mark is very well known") (hereafter "Othman"); see also PepsiCo, Inc. v. Classy Creations, CAC Case No. 103084 ("The disputed domain name entirely incorporates the Complainant’s worldwide well-known PEPSI trademark.")

FN4 PepsiCo, Inc. v. Jeremy Newsum, FA1510001641274 (The Forum Nov. 6, 2015), archived at perma.cc/6WSA-ND6H

FN5 PepsiCo, Inc. v. Domain Admin, D20060435 (WIPO June 12, 2006) (citing PepsiCo, Inc. v. Becky a/k/a Joe Cutroni, FA0207000117014 (The Forum Sept. 3, 2002)), archived at perma.cc/5YHE-SZWH. Furthermore, in CAC Case No. 101994, the Panel recognized “PEPSI” and “PEPSI-COLA” trademarks as well known, which was cited favorably in PepsiCo, Inc. v Gtech Consults, CAC Case No. 102136 (2018-10-16) (hereafter "Gtech"), where the Panel found Complainant has established rights in "well-known trademark PEPSI, PEPSICO and PEPSI-COLA."

FN6 PepsiCo, Inc. v. Diabetes Home Care, Inc. and DHC Services, D20010174 (WIPO Mar. 28, 2001), archived at https://perma.cc/

FN7 Exhibit 21 to 2019 Annual Report, https://perma.cc/

FN8 https://perma.cc/ (awards).

FN9 Pepsico, Inc. v. Bill Williamson, CAC Case No. 102290 (2019-03-29) (transferring PEPSICOGDV.COM)

FN10 Pepsico, Inc. v. Fundacion Comercio Electronico, CAC Case No. 101999 (2018-06-27) (transferring <mypepsicoo.com>).

FN11. Pepsico, Inc. v. james green, CAC Case No. 102750 (2019-12-09) (transferring <pepsic0.com>).

FN12 PepsiCo, Inc. v. Andrew **This field was left blank*, CAC Case No. 102915 (2020-03-29) (transferring <pcpsico.com> partially on grounds that slight spelling variations does not prevent confusing similarity and that simple exchange of letters is not a sufficient element to escape paragraph 4(a)(i)).

FN13 See https://perma.cc/ (source site: https://www.fbi.gov)

FN14 PepsiCo, Inc. v. Smith power production, CAC Case No. 102378 (2019-04-14) (transferring PEPSIC0O.COM).

FN15 https://perma.cc/S9U5-DW44

PARTIES CONTENTIONS

NO ADMINISTRATIVELY COMPLIANT RESPONSE HAS BEEN FILED.

PARTIES' CONTENTIONS:

COMPLAINANT:

Firstly, Complainant alleges that the disputed domain is a typographical misspelling of its PEPSICO trademark, with the mere addition of an extra letter “s” in the sign.

Complainant adds that the disputed domain name reproduces its PEPSICO trademark only differing by an intentional misspelling and that it has been registered to be confusingly similar to its <pepsico.net> domain name.

Therefore, Complainant considers the domain name to be confusingly similar to its PEPSICO trademark and company name.

Secondly, Complainant alleges that Respondent is not licensed or authorized to use its trademark nor has it obtained permission to register the disputed domain name. Complainant also stated that Respondent is not commonly known under the disputed domain name and did not demonstrate any rights or legitimate interests.

Moreover, Complainant quoted some prior decisions stating that the absence of a website could not constitute a bona fide offering of goods and services nor a legitimate noncommercial fair use. Complainant argues that Respondent registered the disputed domain name in order to perpetuate a harmful cyber activity, by sending fraudulent emails for financial gain.

An individual introduced itself as being part of the financial service of Complainant and requested Complainant’s vendors to proceed with the payments to another bank account and to urgently confirm having done it. Respondent therefore targeted Complainant’s vendors through the disputed domain name. Complainant states that it appears to be an illegal activity that does not confer any rights or legitimate interests to Respondent.

Thirdly, Complainant quoted prior decisions stating that the absence of a website can be seen as a respondent's failure to make an active use of the disputed domain name. However, even when there is no website, Complainant argued that the fraudulent use of the mail servers could not constitute a use in good faith and that previous Panels considered that the sending of fraudulent emails could constitute both registration and use in bad faith.

Complainant adds that previous Panels considered that the reproduction of a PEPSICO's typo in the disputed domain name creates a presumption of a bad faith registration, in regard to Complainant's reputation and that Respondent obviously knew about Complainant's exclusive rights.

Furthermore, Complainant alleges that Respondent created a likelihood of confusion in consumers' minds and intended to benefit from the trademark significance to confuse the recipients of the fraudulent emails into thinking they were sent under Complainant's management and control.

Complainant finally states that the communicated emails showing the solicited payment from Complainant's vendors show the use in bad faith.

Therefore, Complainant considers the disputed domain name was registered and is used in bad faith.

RESPONDENT:

Respondent did not reply to Complainant's contentions.

RIGHTS

In consideration of the Factual Background, the Parties' Contentions stated above and its own web searches, the Panel comes to the following conclusions:

Paragraph 15(a) of the Rules instructs this Panel to "decide a complaint on the basis of the statements and documents submitted in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."

Paragraph 10 (a) of the Rules provides that the Panel "shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy and these Rules."

A. The domain name is identical or confusingly similar to Complainant's trademarks

Paragraph 4(a)(i) of the Policy requires the Complainant to demonstrate that the disputed domain name is identical or confusingly similar to the name in respect of which a right is recognized or established by the national law of a Member State and/or European Union law.
Complainant has duly shown its registered trademark rights in the PEPSI and PEPSICO signs.

Firstly, the disputed domain name <pepssico.net> reproduces closely the PEPSI trademark, but it reproduces the PEPSICO trademark almost identically. Respondent only adds a supplemental "s" in the sign, which does not change the pronunciation but it only duplicates an already existing letter. Panel finds that the disputed domain name is confusingly similar to Respondent's trademarks and to its <pepsico.net> domain name. As mentioned by Complainant, the disputed domain name seems to be registered in order to create confusion in public's mind.

As considered by the Panel in a previous case related to the disputed domain name <papsico.com>, "The dominating verbal element of Complainant's registered trademark PEPSICO is basically included in the disputed domain name. It is the view of this Panel that the mere substitution of the "E" by an "A" does not avoid the confusing similarity between the disputed domain name and the Complainant's trademark. This is an evident misspelling" (CAC, decision No. 103202, September 7, 2020). Here, the mere addition of the letter "s" is considered as an evident misspelling and as a clear case of typosquatting.

Panel finds that the disputed domain name is confusingly similar to Complainant's trademark and to its prior domain name <pepsico.net>. Internet users, and particularly Complainant's consumers may believe the disputed domain is endorsed by Complainant.

To the satisfaction of the Panel, Complainant has shown that the disputed domain name is confusingly similar to a trademark or service trademark in which it has rights. The requirement of Paragraph 4(a)(i) of the Policy is, therefore, met.

NO RIGHTS OR LEGITIMATE INTERESTS

B. The domain name has been registered without rights or legitimate interests in the name

Pursuant Paragraph 4(a)(ii) of the Policy, the Complainant is required to prove that the disputed domain name has been registered without rights or legitimate interests in the name.
Complainant is required to make a prima facie case demonstrating that Respondent lacks the rights and legitimate interests in the disputed domain name. If the prima facie case is successful, then the burden of proof shifts to Respondent.

Complainant has duly demonstrated that Respondent was not authorized nor licensed to use the PEPSI or PEPSICO trademarks, and therefore was not authorized to register the disputed domain name.

The Panel finds that the prima facie case is successful since Respondent did not try to show it benefits from any legitimate interests or rights in the PEPSICO sign, or any similar sign. Respondent's failure to respond to Complainant's contentions is commonly considered as an evidence that Respondent has no right or legitimate interests in the disputed domain name. See for example, O'Neill Brand S.à r.l v.s Pan Chen CAC case No 102363 "The Respondent has not filed a Response or made any other answer to the claims of the Complainant and is in default. Accordingly, the prima facie case has not been rebutted and the Complainant has made out the second of the three elements that it must establish".

To the satisfaction of the Panel, Complainant has proven that Respondent has no rights or legitimate interests in respect of the disputed domain name. The requirement of Paragraph 4(a)(ii) of the Policy is, therefore, met.

BAD FAITH

Pursuant Paragraph 4(a)(iii) of the Policy, the Complainant is required to prove that the disputed domain name has been registered or that is being used in bad faith.

Firstly, Complainant has duly shown its reputation, its rights in the PEPSI and PEPSICO trademarks and its presence around the world. The structure of the disputed domain name allows the Panel to consider that Respondent had Complainant's business in mind at the time it registered the disputed domain name.

Panel therefore considers Respondent tried to benefit from Complainant's reputation.

Moreover, Complainant duly shown the disputed domain name is used to target its vendors, and to request fraudulent payments. The emails were sent through an email address "@pepssico.net" but they were signed as a member of the Complainant's. Respondent clearly targeted Complainant's vendors to earn money, creating a confusion and trying to benefit from Complainant's business.

As Complainant duly shown, the fact that no website has been set up should not be considered as a use in good faith, since Respondent set up mail servers on the domain name and use them to tarnish Complainant's business.

Hence, Panel finds that the use in bad faith of the disputed domain name is obviously a registration in bad faith's consequence. In a previous case, Panel finds that "While, in the abstract, the creation of such records [(mail servers)] does not indicate any ill intent, in the circumstances of the present case where a phishing email has been sent by the Respondent

these MX records do require some further explanation which the Respondent has not provided" (CAC, decision No. 103278, October 20, 2020). This case was related to the domain names <pepsicog.com> and <pepsicogd.com>, that were also reproducing Complainant's trademarks and that were used for phishing attempts.

To the satisfaction of the Panel, Complainant has proven that the disputed domain name was registered and is being used in bad faith. The requirement of Paragraph 4(a)(iii) of the Policy is therefore met.

PROCEDURAL FACTORS

The Panel is satisfied that all procedural requirements under UDRP were met and there is no other reason why it would be inappropriate to provide a decision.

PRINCIPAL REASONS FOR THE DECISION

Having established all three elements required by the Rules, the Panel concludes that relief shall be granted, without prejudice to a future judicial decision.

For all the foregoing reasons, the Panel orders the domain name <pepssico.net> to be transferred to Complainant.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

AND THE DISPUTED DOMAIN NAME(S) IS (ARE) TO BE

1. **PEPSSICO.NET**: Transferred

PANELLISTS

Name	**Nathalie Dreyfus**

DATE OF PANEL DECISION 2020-11-02

Publish the Decision