Decision for dispute CAC-UDRP-105977

Case number	CAC-UDRP-105977
Time of filing	2023-11-15 09:08:12
Domain names	novartisx.com, xnovartis.com

Case administrator

Organization	Iveta Špiclová (Czech Arbitration Court) (Case admin)

Complainant

Organization	Novartis AG

Complainant representative

Organization	BRANDIT GmbH

Respondent

Organization	Epsilon Comunicacion SL

OTHER LEGAL PROCEEDINGS

The Panel is not aware of any other legal proceedings which are pending or decided and which relate to the disputed domain names.

IDENTIFICATION OF RIGHTS

The Complainant is the holder of the following registrations of the sign NOVARTIS (the “NOVARTIS trademark”)

- the European Union trademark NOVARTIS with registration No. 000304857, registered on 25 June 1999 for goods and services in International Classes 1, 5, 9, 10, 29, 30, 31 and 32; and

- the International trademark NOVARTIS with registration No. 1349878, registered on 29 November 2016 for goods and services in International Classes 19, 10, 41, 42, 44 and 45.

FACTUAL BACKGROUND

The Complainant is one of the biggest global pharmaceutical and healthcare groups. It was created in 1996 through a merger of the companies Ciba-Geigy and Sandoz. In 2022, Novartis achieved net sales from continuing operations of USD 50.5 billion, and total net income amounted to USD 7.0 billion. At the same year, the group employed approximately 102 000 full-time equivalent employees.

The Complainant’s official website is located at the domain name <novartis.com>, registered in 1996.

The Respondent is a Spanish company which provides IT, journalistic and marketing services.

The disputed domain name <xnovartis.com> was registered on 31 July 2023, and the disputed domain name <novartisx.com> was registered on 17 August 2023. They do not resolve to active websites but have mail exchange ("MX") records enabled.

PARTIES CONTENTIONS

COMPLAINANT:

The Complainant states that the disputed domain names are confusingly similar to its NOVARTIS trademark, because they incorporate the trademark in its entirety, followed by the letter "X". The NOVARTIS trademark is recognizable within the disputed domain names, and the addition of the letter "X" to it does not prevent the confusing similarity to the trademark.

The Complainant maintains that the Respondent has no right or legitimate interests in respect of the disputed domain names, because it is not commonly known by the disputed domain names and is not affiliated with the Complainant, and the Complainant has not authorized the Respondent to use the NOVARTIS trademark. The Complainant adds that the disputed domain names falsely suggest affiliation with it, and notes that the Respondent has not used them.

The Complainant contends that the disputed domain names were registered and are being used in bad faith. It points out that the disputed domain names were registered many years after the registration of the NOVARTIS trademark, and their structure shows that the Respondent registered them having the Complainant and its NOVARTIS trademark in mind, with an intention to create an association and a likelihood of confusion with the Complainant's NOVARTIS trademark in Internet users, who may believe that the disputed domain names are connected to the Complainant. The Complainant adds that the Respondent has not demonstrated any activity in respect of the disputed domain names and that it is not possible to conceive of any plausible actual or contemplated active use of them by the Respondent that would not be illegitimate, such as by being a passing off, an infringement of consumer protection legislation, or an infringement of the Complainant's rights under trademark law.

The Complainant submits that although the disputed domain names have been passively held, their non-use would not prevent a finding of bad faith, since the disputed domain names entirely comprise the Complaint's well-known NOVARTIS trademark and it is implausible that the Respondent did not know it when the disputed domain names were registered. The Complainant adds that there is no evidence of any actual or contemplated good-faith use of the disputed domain names, that the Respondent has already engaged in the bad faith registration of other domain names -<acelormittalx.com> and <xacelormittal.com>, incorporating a third-party trademark again with the addition of the letter "x". The Complainant notes that UDRP Decisions were rendered regarding those domain names, ordering their transfer to the respective complainant.

The Complainant notes that the disputed domain names have been set up with MX records, so, given the confusing similarity between them and the Complainant's official domain name <novartis.com>, there is a risk for Internet users to be misdirected by phishing emails sent by e-mail addresses connected to the disputed domain names. According to the Complainant, it is inconceivable that the Respondent may be able to make any good faith use of the disputed domain names as part of e-mail addresses.

Finally, the Complainant states that it sent cease-and-desist letters to the Respondent who did not respond.

RESPONDENT:

The Respondent submits that within the framework of its activities, the idea of protecting domain names with the letter "X" in them arose in order to prevent their fraudulent use. The Respondent created the "X Platform THE LAST UNIVERSE" for this purpose. According to the Respondent, the disputed domain names should be protected, because the letter "X" has historically been associated with products with pejorative content, such as pornography. With the arrival of the social network X (formerly Twitter), the Respondent goes on, a massive purchase of domain names with the names of prestigious companies and the letter "X" has been set in motion for illicit use in the so-called "DeepWeb". which is detrimental to the companies affected. The Respondent explains that, considering the above, it decided to acquire domain names containing the letter "X", before or after well-known companies, to reserve them for policies of good governance, sustainability, integral protection of workers, criminal compliance, etc., thereby achieving a double objective: the positive reinforcement of the company's image and avoiding the pernicious use of the domain name, which would affect its reputation. The Respondent adds that, as regards Spanish companies, the Respondent's X platform is designed to join business efforts to promote the brand "Spain" with the common objective of establishing good governance policies. Considering the above, the Respondent claims, the registration of the disputed domain names is lawful because it is covered by a service provided by the Respondent which can be exploited in accordance with the laws of the free market and which is in the Complainant's interest.

According to the Respondent, there is no likelihood of confusion between the disputed domain names and the Complainant's NOVARTIS trademark, because the services or goods designated are different. The Respondent refers to the case law of the Spanish Supreme Court in this regard. Thus, the Respondent submits, while the Complainant is a pharmaceutical company, the Respondent provides IT, journalistic and marketing services, and its Platform X has been set up as a safe harbour for companies wishing to use it to manage their transparency and good governance policies, which has nothing to do with the pharmaceutical business in which the Complainant is engaged.

The Respondent claims that it has legitimate rights for the registration and use of the disputed domain names because it has

developed the Platform X as a space for good business practices linking the name of the companies concerned with the letter "X". This platform avoids the damage that a company would suffer if its name were to be associated with unlawful activities, which are usually denoted by the letter "X". Therefore, the Respondent maintains, it is entitled to exploit the disputed domain names commercially by offering them to the undertakings concerned, in the same way as they are entitled to contract its services.

The Respondent denies that the disputed domain names have been registered and are being used in bad faith. In this regard, it points out that:

- there is no likelihood of confusion in the market because the Parties are engaged in different activities;

- this differentiation in the activities carried out by the Parties excludes the existence of competition between them; and

- the disputed domain names are not maintained for passive purposes but have been integrated into the Respondent's Platform X, which has been created to protect those companies that have decided to assert their good governance policies.

Finally, the Respondent submits that a decision ordering the transfer of the disputed domain names to the Complainant would be illegal, since Article 41 of the Spanish Trademark Law does not provide for such a measure.

RIGHTS

The Complainant has, to the satisfaction of the Panel, shown the disputed domain names are identical or confusingly similar to a trademark or service mark in which the Complainant has rights (within the meaning of paragraph 4(a)(i) of the Policy).

NO RIGHTS OR LEGITIMATE INTERESTS

The Complainant has, to the satisfaction of the Panel, shown the Respondent to have no rights or legitimate interests in respect of the disputed domain names (within the meaning of paragraph 4(a)(ii) of the Policy).

BAD FAITH

The Complainant has, to the satisfaction of the Panel, shown the disputed domain names have been registered and are being used in bad faith (within the meaning of paragraph 4(a)(iii) of the Policy).

PROCEDURAL FACTORS

Procedural issue No.1 - Language of the proceeding

The Panel issued Procedural Order No.1 in respect of the language of the proceeding. This Procedural Order No.1 is reproduced below.

The language of the Registration Agreement for the disputed domain names is Spanish. Pursuant to the Rules, paragraph 11(a), in the absence of an agreement between the parties, or unless specified otherwise in the registration agreement, the language of the administrative proceeding shall be the language of the registration agreement.

In exercising its discretion to use a language other than that of the registration agreement, the Panel has to exercise such discretion judicially in the spirit of fairness and justice to both parties, taking into account all relevant circumstances of the case, including matters such as the parties' ability to understand and use the proposed language, time and costs (see WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), section 4.5.1).

The Complainant requests that the language of the present administrative proceeding be English based on the following reasons:

- The English language is commonly used internationally, so it would be fair to the Parties if it is the language of the present proceeding;

- The Complainant is a Swiss-based company;

- If the Complainant has to provide a translated version of the Complaint and subsequent communications in Spanish in the present proceedings, such translation would entail significant additional costs for the Complainant and delay in the proceedings.

The Complainant also refers to another UDRP case that involved the same Respondent, Arcelormittal v. Giselle Perez, Epsilon Comunicacion SL, WIPO Case No. D2023-3571, where the Panel ordered the language of the proceeding to be English, although the language of the Registration Agreement for the respective domain name had been Spanish. On this basis, the Complainant submits

that it is safe to assume that the Respondent understands and is able to communicate in the English language.

The Respondent maintains that the language of the proceeding should be Spanish. It states that it is company located in Spain and it does not know English, so using this language would cause a significant disadvantage to it. The Respondent also notes that the Complainant can communicate in Spanish, since it has a registered office in Spain.

As submitted by the Complainant, the Respondent has already participated as respondent in another proceeding under the Policy, where the Panel ordered the language of the proceeding to be English. The public database of WIPO includes yet another UDRP proceeding where the same happened, i.e., Arcelormittal v. Giselle Perez, Epsilon Comunicacion SL, WIPO Case No. D2023-3300. It is notable that these cases involved two domain names with the same composition pattern as the disputed domain names here - <x[trademark].com> and <[trademark]x.com>, which, as in the present case, do not suggest any focusing on the Spanish market or on Spanish-language Internet users. In these cases, the Respondent was invited in both English and Spanish to comment on the language of the proceedings but the Respondent remained inactive through the proceedings.

The Panel in this case tends to agree with the arguments of the Complainant, but in order to safeguard the procedural rights of the Respondent, the Panel came to conclusion that the Respondent should be provided with an opportunity to participate in the proceeding in Spanish.

Therefore, having considered the matters above, the Panel:

1. Instructed the Complainant to submit a translation of the Complaint into Spanish not later than on 16 January 2024;

2. Invited the Respondent to submit a Response in either Spanish or English within 7 days of the submission by the Complainant of the Complaint translated into Spanish;

3. Decided to issue the decision on the dispute in English within 7 days after (i) the submission by the Respondent of its Response under point 2 above, or (ii) the expiration of the time limit for the submission of the Response, whichever is earlier.

Procedural issue No.2 - Jurisdiction of the Czech Arbitration Court and of the Panel

The Respondent submits that the Czech Arbitration Court (the "CAC") does not have jurisdiction over this dispute, because according to settled case law, its decisions do not produce the effect of res judicata and do not have the status of an arbitral award. The Respondent maintains that the present dispute has to be referred to Spanish courts. The Respondent further maintains that a decision ordering the transfer of the disputed domain name to the Complainant would be illegal, as such a measure is not provided for in Spanish law.

The registration agreement, pursuant to which the disputed domain names are registered, incorporates the Uniform Dispute Resolution Policy (the "UDRP"), adopted by ICANN in 1999. The Respondent has thus accepted the UDRP, which sets forth the terms and conditions in connection with a dispute between the registrant of a domain name and any party other than the Registrar over the registration and use of a domain name registered by its registrant.

Under the UDRP, each registrant of a domain name is required to submit to a mandatory administrative proceeding in the event that a third party (a "complainant") asserts to the applicable Provider, in compliance with the Rules of Procedure, that:

(i) the respective domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) the registrant 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.

The Complaint is based on these three assertions in respect of the disputed domain names, which satisfies the Panel that the present dispute is properly within the scope of the UDRP. The CAC is included in the list of the dispute resolution service providers approved by ICANN, so it is competent to conduct the proceeding opened on the basis of the Complaint that has been submitted before it. The Panel has been properly appointed by the CAC to decide the dispute, and the relevant procedures have been complied with. Under the UDRP, the remedies available to a complainant pursuant to any proceeding before an Administrative Panel shall be limited to requiring the cancellation of a domain name or the transfer of the domain name registration to the complainant. If the Panel finds that the Complainant has established the three prerequisites stated above in this section, the Panel will grant the remedy requested by the Complainant, which is the present case is the transfer of the disputed domain names. The mandatory administrative proceeding requirements set forth in the UDRP shall not prevent the Respondent or the Complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before the present mandatory administrative proceeding is commenced or after such proceeding is concluded. Such court will of course follow the procedures and apply the laws that it deems applicable.

Taking all the above into account, the Panel finds that the present dispute shall be resolved under the UDRP, and that the CAC and the Panel have all the required jurisdiction to resolve it.

Procedural issue No.3 - Request for consolidation of proceedings

The Respondent requests the consolidation of the proceeding in the present case with the proceeding in WIPO Case DES2023-0028 before the WIPO Arbitration and Mediation Center. That proceeding relates to the domain names <novartisx.es> and <xnovartis.es>,

and a decision on it was issued on 19 January 2024. On this basis alone, the consolidation request has become moot. Nevertheless, even if the proceeding in WIPO Case DES2023-0028 was still pending, the consolidation request is without merit for the following reasons.

Disputes involving domain names in the ".es" ccTLD are governed by the Reglamento del procedimiento de resolución extrajudicial de conflictos para nombres de dominio bajo el código de país correspondiente a España (".ES"), or the "Rules for the out-of-court settlement procedure for domain names under the country code for Spain (".ES")". These Rules are different from the UDRP.

Under Paragraph 4(f) of the UDRP, the first Panel appointed to hear a pending dispute between the parties may consolidate before it any or all pending disputes between them in its sole discretion, provided that the disputes being consolidated are governed by the Policy.

Considering that different dispute resolution policies apply to the disputes whose consolidation is requested, there is no basis to allow the request for consolidation.

Having decided the above procedural issues, 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

Pursuant to the UDRP, paragraph 4(a), a complainant must prove each of the following to justify the transfer of the disputed domain names:

(i) the disputed domain names are identical or confusingly similar to a trademark or service mark in which the complainant has rights;

(ii) the respondent has no rights or legitimate interests in respect of the disputed domain names; and

(iii) the respondent has registered and is using the domain names in bad faith.

In this case, the Provider has employed the required measures to achieve actual notice of the Complaint to the Respondent, and the Respondent was given a fair opportunity to present its case.

By the Rules, paragraph 5(c)(i), it is expected of a respondent to: "[r]espond specifically to the statements and allegations contained in the complaint and include any and all bases for the Respondent (domain name holder) to retain registration and use of the disputed domain name …"

Identical or confusingly similar

At the outset, the Panel notes that the standards established in trademark law for the comparison of signs for the purposes of finding whether they are identical or confusingly similar to each other are different from the standards and practices adopted under the UDRP. Therefore, the Panel will not apply the standards established in the trademark law, but will follow the principles and practices summarized in the WIPO Overview 3.0 when taking his decision on the issue of whether the disputed domain names are identical or confusingly similar to a trademark in which the Complainant has rights.

As discussed in section 1.7 of the WIPO Overview 3.0, 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. This test typically involves a side-by-side comparison of the domain name and the textual components of the relevant trademark to assess whether the mark is recognizable within the disputed domain name. While each case is judged on its own merits, in cases where a domain name incorporates the entirety of a trademark, or where at least a dominant feature of the relevant mark is recognizable in the domain name, the domain name will normally be considered confusingly similar to that mark for purposes of UDRP standing.

As further discussed in section 1.8 of the WIPO Overview 3.0, where the relevant trademark is recognizable within the disputed domain name, the addition of other terms (here, the letter "X") would not prevent a finding of confusing similarity under the first element.

The Complainant has provided evidence and has thus established its rights in the NOVARTIS trademark.

The Panel notes that a common practice has emerged under the UDRP to disregard in appropriate circumstances the general Top-Level Domain ("gTLD") section of domain names for the purposes of the comparison under the Policy, paragraph 4(a)(i). The Panel sees no reason not to follow the same approach here, so it will disregard the ".com" gTLD section of the disputed domain names. See section 1.11 of the WIPO Overview 3.0.

The relevant parts of the disputed domain names are therefore the sequences "xnovartis" and "novartisx". They represent a combination of the NOVARTIS trademark with the letter "X", and the NOVARTIS trademark is easily recognized in the disputed domain names.

Taking all the above into account, the Panel finds that the disputed domain names are confusingly similar to the NOVARTIS

trademark in which the Complainant has rights.

Rights and legitimate interests

While 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 often-impossible 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. If the respondent fails to come forward with such relevant evidence, the complainant is deemed to have satisfied the second element.

The Complainant contends that the Respondent has no rights or legitimate interests in respect of the disputed domain names, because it is not commonly known by them and is not affiliated with the Complainant, and the Complainant has not authorized the Respondent to use the NOVARTIS trademark. The Complainant adds that the Respondent has not used the disputed domain names, and notes that MX records have been configured for them, so they may be used to confuse Internet users through e-mail communications. Thus, the Complainant has established a prima facie case that the Respondent lacks rights or legitimate interests in the disputed domain names.

The Respondent submits that it has developed the idea of protecting domain names with the letter "X" in them in order to prevent their fraudulent use, because the letter "X" has historically been associated with products with pejorative content, and has created the "X Platform THE LAST UNIVERSE" for this purpose. The Respondent explains that it decided to acquire domain names containing the letter "X", before or after well-known companies, to reserve them for policies of good governance, sustainability, integral protection of workers, criminal compliance, etc., thereby achieving the positive reinforcement of the company's image and avoiding the pernicious use of the domain name, which would affect its reputation.

The Respondent claims that it has legitimate rights for the registration and use of the disputed domain names because their registration by the Respondent avoids the damage that the Complainant would suffer if its name were to be associated with unlawful activities. Therefore, the Respondent maintains, it is entitled to exploit the disputed domain names commercially by offering them to the Complainant, in the same way as the Complainant is entitled to contract the Respondent's services.

The disputed domain names are confusingly similar to the Complainant's well-known NOVARTIS trademark, and carry a high risk of implied affiliation with the Complainant, given that the only difference between them and the Complainant's trademark and official domain name is the addition of the single letter "X", which can easily remain unnoticed by Internet users and by recipients of e-mail communications from e-mail accounts at the disputed domain names - MX records have been enabled for them, the only purpose of which is to set up and use email accounts. The Complainant has not requested the Respondent to carry out any actions in respect of domain names incorporating the NOVARTIS trademark, and in any case, it is only up to the Complainant to decide what and when to do to protect its NOVARTIS trademark on the Internet and elsewhere, and not up to third parties, especially where the Complainant does not wish them to do so. The registration of the disputed domain names confusingly similar to the NOVARTIS trademark, the setting up of MX records for them, and the expressed intent of the Respondent to exploit the disputed domain names commercially creates a situation of imbalance where the Respondent controls how the disputed domain names will be used and may receive commercial gain by exploiting the goodwill of the NOVARTIS trademark without the consent of the Complainant.

For these reasons, the Panel is not convinced by the explanation of the Respondent why it has chosen and registered the disputed domain names. It is telling in this regard that the Respondent does not agree to the transfer of the disputed domain names to the Complainant. If the motive of the Respondent to register the disputed domain names was to protect the reputation of the Complainant and its NOVARTIS trademark, one would expect the Respondent to agree to their transfer to the Complainant. Rather, the Panel considers as more likely that the Respondent's motive is to target the Complainant and exploit the goodwill of the NOVARTIS trademark. The fact that MX records have been configured for the disputed domain names shows that they are intended for e-mail communications, which also disproves the Respondent's explanation of the reasons for their registration and gives rise to an additional risk for confusion of the potential addressees of such communications.

All this leads the Panel to the conclusion that it is more likely than not that the Respondent, being aware of the goodwill of the Complainant and of the NOVARTIS trademark, has registered the disputed domain names in an attempt to exploit this trademark's goodwill for commercial gain. In the Panel's view, such activity is not legitimate and does not give rise to rights and legitimate interests in the disputed domain names.

Therefore, the Panel finds that the Respondent does not have rights or legitimate interests in the disputed domain names.

Bad faith

Paragraph 4(b) of the Policy lists four illustrative alternative circumstances that shall be evidence of the registration and use of a domain name in bad faith by a respondent, namely:

"(i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your website or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your website or location or of a product or service on your website or location."

As discussed above, the disputed domain names are confusingly similar to the NOVARTIS trademark and have MX records configured for them. The explanation by the Respondent why it has chosen and registered the disputed domain names and enabled MX records for them is unconvincing. The Panel accepts as more likely that the Respondent has registered them targeting the NOVARTIS trademark for commercial gain. Such a conclusion is further supported by the fact that the Respondent has recently been found to have registered in bad faith two other domain names that are identical to the disputed domain names but are registered in the .es ccTLD, and two other domain names that follow the same naming pattern, involving a third-party trademark and the letter "X". See Novartis AG v. Giselle Perez, Epsilon Comunicacion SL, WIPO Case DES2023-0028, Arcelormittal v. Giselle Perez, Epsilon Comunicacion SL, WIPO Case No. D2023-3571, and Arcelormittal v. Giselle Perez, Epsilon Comunicacion SL, WIPO Case No. D2023-3300.

The disputed domain names have not been used. As discussed in section 3.3 of the WIPO Overview 3.0, from the inception of the UDRP, panelists have found that the non-use of a domain name would not prevent a finding of bad faith under the doctrine of passive holding. While panelists will look at the totality of the circumstances in each case, factors that have been considered relevant in applying the passive holding doctrine include: (i) the degree of distinctiveness or reputation of the complainant's mark, (ii) the failure of the respondent to submit a response or to provide any evidence of actual or contemplated good-faith use, (iii) the respondent's concealing its identity or use of false contact details (noted to be in breach of its registration agreement), and (iv) the implausibility of any good faith use to which the domain name may be put.

The Panel finds two of these factors are present here. The Complainant's NOVARTIS trademark has a strong reputation, and the Respondent has failed to provide any evidence of actual or contemplated good-faith use of the disputed domain names. The Panel is not aware of any good faith use to which the disputed domain names, confusingly similar to the Complainant's trade name, trademark and official domain name, may be put by the Respondent.

On this basis, the Pane finds that the Respondent has registered and used the disputed domain names in bad faith.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

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

1. **novartisx.com**: Transferred
2. **xnovartis.com**: Transferred

PANELLISTS

Name	**Assen Alexiev**

DATE OF PANEL DECISION 2024-01-31

Publish the Decision