Decision for dispute CAC-UDRP-106108

Case number	CAC-UDRP-106108
Time of filing	2023-12-21 11:14:33
Domain names	klarna-paysecure.com

Case administrator

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

Complainant

Organization	Klarna Bank AB

Complainant representative

Organization	SILKA AB

Respondent

Name	David Jensch

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 name.

IDENTIFICATION OF RIGHTS

The Complainant is the owner of numerous KLARNA trademarks, including:

- International trademark registration no. 1066079 “KLARNA” registered on December 22, 2010;
- EU trademark registration no. 009199803 “KLARNA” registered on December 7, 2010;
- EU trademark registration no. 010844462 “KLARNA” registered on September 25, 2012;
- International trademark registration no. 1182130 “KLARNA” registered on August 2, 2013;
- EU trademark registration no. 012656658 “KLARNA” registered on July 31, 2014;
- US trademark registration no. 4582346 “KLARNA” registered on August 13, 2014.

The disputed domain name <klarna-paysecure.com> was registered on August 13, 2024.

PARTIES CONTENTIONS

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

The Complainant is a Swedish e-commerce company that was established in in 2005. The Complainant Company has a workforce of over 5,000 employees. As of 2011, about 40% of all e-commerce sales in Sweden went through the Complainant. It is currently one of Europe’s largest banks and is providing payment solutions for over 150 million consumers across 500,000 merchants in 45

countries. In 2021, the company generated $80 billion in gross merchandise volume.

The Complainant places great value on its Intellectual Property Rights and has been diligent in protecting its intellectual property and in preventing the unauthorized use thereof. Since 2016, it has been successful in over 50 UDRP matters including <klarnapay.biz> (CAC-UDRP-105594), <theklarnagroup.com> (CAC-UDRP-105514), <klarna-apps.net> (CAC-UDRP-105513), <klarna-gateway.com> (D2021-0756), <klarnaclicks.se> (D2021-0002), <klarnarewards.com> (D2020-2514), <klarna.site> (D2019-1325), <klarna.co> (DCO2017-0006), <payklarna.com> (D2017-0220) and so on.

The Complainant contends that the disputed domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights (Policy, Paragraph 4(a)(i); Rules, Paragraphs 3(b)(viii), (b)(ix)(1))

The Complainant has been in existence since 2005 and is the only one in the world to have conceived and adopted the mark KLARNA. That is, the Complainant has exclusive rights to the mark KLARNA. The said mark KLARNA has been openly, continuously and extensively used globally for the last numerous years and has thus acquired secondary meaning.

The Complainant holds registration for the trademark KLARNA under different classes - 9, 35, 36, 39, 42, 45 in multiple jurisdictions around the world since 2010.

The Complainant's registered trademark KLARNA is clearly recognizable within the disputed domain name. The registration and the use of the confusingly similar disputed domain(s) is a direct infringement of the legitimate rights held by the Complainant in the mark KLARNA. Where the trade mark is recognisable in the domain name, the addition of other terms does not prevent a finding of confusing similarity (WIPO Overview 3.0, section 1.8).

The mere addition of a term to a trademark in a domain name does not avoid a finding of confusing similarity. This has been held in many UDRP cases.

Lastly, the addition of the gTLD ".com" in the disputed domain name does not differentiate the disputed domain name from the trademark (WIPO Overview 3.0, paragraphs 1.7 and 1.11).

The Complainant claims that the Respondent has no rights or legitimate interests in respect of the disputed domain name (Policy, Paragraph 4(a)(ii); Rules, Paragraph 3(b)(ix)(2))

The Respondent is not affiliated with/authorized by the Complainant in any way to make use of the KLARNA mark, while the Complainant has exclusive rights to the trademark KLARNA.The Complainant has painstakingly built up a good reputation and has invested a substantial amount of resources in promoting its product under the KLARNA mark the world over. The disputed domain name has a recent registration as of August 13, 2023, while the Complainant has been using the brand KLARNA for over fifteen years. The Complainant's registered mark is a distinctive term, exclusively associated with the Complainant only that one would not legitimately choose as a domain name without having specific rights to such combination. Considering the worldwide reputation of the KLARNA marks in the financial industry, one finds it hard to conceive that the Respondent would have chosen and registered the disputed domain name without having been aware of the Complainant's trademarks.

It is extremely difficult to foresee any legitimate use that the Respondent may have with the passively held disputed domain name, which combines the mark KLARNA with the keywords 'PAY SECURE'. A similar combination is already in use by the Complainant in other domain names it owns like <klarna-pay.com> and <klarnapay.com>. The Respondent's use of the trademark plus the term 'pay', seems to indicate, on the balance of probabilities, that the Respondent not only was aware of the Complainant but deliberately targeted the Complainant to benefit from the appearance of legitimate association to the Complainant and confuse Internet users as to the source of sponsorship. A practice like this can never be considered a bona fide offering under the Policy.

The disputed domain name registered by the Respondent is clearly intended to exclusively "pass off" as the Complainant in the near future and have a free ride on its reputation and goodwill. The Respondent cannot be said to have legitimately chosen to use the domain name unless it was seeking to create an impression of an association with the Complainant. Since there is no such authorized association, the Respondent's use of the domain name cannot be said to be legitimate.

The Respondent is indeed not making any legitimate or fair use of the domain name but is holding the domain name passively with an intention for commercial gain to misleadingly divert consumers and tarnish the trademark at issue, given the distinctive nature of the mark and the huge popularity of the Complainant and its trademark KLARNA.

In view of the prior rights of the Complainant in the trademark KLARNA and the enormous goodwill and reputation vested in the trademark, it is evident from the above assertions that the sole purpose behind the Respondent in registering the disputed domain name is to take undue advantage of the Complainant's mark KLARNA.

The disputed domain name was registered and is being used in bad faith (Policy, paragraphs 4(a)(iii), 4(b); Rules, paragraph 3(b)(ix)(3))

According to the Complainant, the following factors contribute to establishing the Respondent's bad faith conduct in the circumstances of this case:

Actual or Constructive Notice

The registration of a domain name that is confusingly similar to another's mark, despite actual or even constructive knowledge of the mark holder's rights, constitutes bad faith registration and use.

Even a preliminary search over the Internet or survey among the public in general reveals that the "KLARNA" brand is associated with the Complainant and it has been used by them in their trade and business for over the last decade. Given the immense popularity and goodwill enjoyed by the Complainant's trademark globally by virtue of its open, continuous and extensive use and its impeccable market reputation, it is clear that the Complainant's trademark is well-known and the Respondent knowingly chose to register and use the disputed domain name to divert customers and drawing damaging conclusions as to the Complainant's operations through the disputed domain name, thus can adversely affect the Complainant's goodwill and reputation and its right to use the disputed domain name.

Passive Holding

Given the facts as to unused domain name also satisfies the doctrine of passive holding. It is evident that the disputed domain name has never been put to use, such a passive holding of the domain name constitutes bad faith use under the Policy.

Implied Affiliation

Moreover, any person or entity using the mark / name KLARNA (with related keywords) in any manner is bound to lead customers and users to infer that its product or service has an association or affiliation with the Complainant and lead to confusion and deception.

Opportunistic Bad Faith

It is a settled law that registration of identical or confusingly similar domain name that is patently connected with a particular trademark owned by an entity with no connection with the trademark owner is indicative of opportunistic bad faith as understood in the Policy. With regard to famous brands, successive UDRP panels have found bad faith registration, where:

a. Complainant's name was famous at the time of registration.
b. Registration of a well-known trademark by a party with no connection to the owner of the trademark and no authorization and no legitimate purpose to utilize the mark reveals bad faith.
c. The very use of the domain name by Respondent who had no connection whatsoever with Complainant's mark and product suggests opportunistic bad faith.

Respondent:

NO ADMINISTRATIVELY COMPLIANT RESPONSE HAS BEEN FILED.

RIGHTS

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

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

For the Complainant to succeed it must prove, within the meaning of paragraph 4(a) of the Policy, that:

I. The domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
II. The respondent 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.

I. Identical or Confusingly Similar

The Complainant has established the fact that it has valid rights for the numerous KLARNA trademark registrations, first of them registered since 2010. The disputed domain name <klarna-paysecure.com> was registered on August 13, 2024, i.e. almost 15 years after the first of the KLARNA trademark registrations.

The disputed domain name consists from three words: KLARNA, PAY and SECURE. The first part of the disputed domain name is identical to the Complainant's KLARNA trademarks that is thus fully incorporated in the disputed domain name. The second and third parts are formed from two separate generic words PAY and SECURE, that are usually connected to the Complainant's business (providing of the secured payments). The addition of the second and third part of the disputed domain name (PAY SECURE) therefore does not change the overall impression of the designation as being connected to the Complainant and its trademarks and use of this generic and descriptive terms more likely strengthens the likelihood of confusion between the disputed domain name and Complainant's trademark.

Furthermore, the addition of the generic top-level domain ".COM" does not change the overall impression of the designation as being connected to Complainant's trademarks.

Therefore, the Complainant has, to the satisfaction of the Panel, shown the disputed domain name is confusingly similar to the Complainant's trademarks "KLARNA" in which the Complainant has rights (within the meaning of paragraph 4(a)(i) of the Policy).

II. Rights or Legitimate Interests

As stated in the WIPO Jurisprudential Overview 3.0 at Section 2.1, 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 has established a prima facie case (not challenged by the Respondent who did not file any response to the complaint) that the Respondent has no rights or legitimate interests in the disputed domain name.

There is no available evidence that the Respondent is engaged in, or have engaged in any activity or work, i.e. legitimate or fair use of the disputed domain name, that demonstrates a legitimate interest in the disputed domain name. Moreover, the disputed domain name resolves to a website with the declaration, that the web server is down (wit error code 521) only.

There is further no evidence, that the Respondent is known by the disputed domain name or that it has a legitimate interest over the disputed domain name. It has not been proved by the Respondent that he has rights or legitimate interests in the

disputed domain name or the Respondent is related with the Complainant. Neither license nor authorization has been proven to be granted to the Respondent to make any use of the Complainant's trademark or apply for registration of the disputed domain name.

The Panel therefore considers that the Respondent has no rights or legitimate interests in respect of the disputed domain name within the meaning of paragraph 4(a)(ii) of the Policy.

III. Registered and Used in Bad Faith

The Respondent has registered the disputed domain name which consists of the entire Complainant's trademark "KLARNA" and generic terms "PAY" and "SECURE". It is inconceivable that the Respondent would have come up with a domain name consisting of the terms "KLARNA PAY SECURE" without having prior knowledge of the Complainant and its trademark and banking and online transactions services. On the balance of probabilities, it is evident that the Respondent had knowledge of the existence of the Complainant and its activities, and of the existence and scope of the Complainant's trademark at the time of registration and use of the disputed domain name.

Therefore, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its web site by creating a likelihood of confusion with the Complainant's (Paragraph 4(b)(iv) of the Policy).

The Complainant has established the fact, that the disputed domain name creates direct association to the Complainant and is therefore capable of creating a likelihood of confusion of the internet users. The registration and usage of the disputed domain name could therefore potentially harm Complainant's business.

Considering the confusing similarity between the Complainant's trademark and the disputed domain name, long time between the registration of the Complainant's trademark and the disputed domain name, resolving of the disputed domain name to an inactive (or non-functional) webpage, distinctiveness of the Complainant's trademark and its worldwide reputation and failure to submit a response in the UDRP proceedings and to provide any evidence of good faith use, the Panel finds that the disputed domain name has been registered and is being used in bad faith.

The Panel therefore considers that the disputed domain name has been registered and is being used in bad faith within the meaning of paragraph 4(a)(iii) of the Policy.

The Panel finally considers that the Complainant has shown that the disputed domain name <klarna-paysecure.com> is confusingly similar to a trademark in which the Complainant has rights, the Respondent has no rights or legitimate interests in respect of the disputed domain name and the disputed domain name has been registered and is being used in bad faith. The Complainant has thus established all three elements of paragraph 4(a) of the Policy.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

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

1. **klarna-paysecure.com**: Transferred

PANELLISTS

Name	**Petr Hostaš**

DATE OF PANEL DECISION 2024-02-02

Publish the Decision