Decision for dispute CAC-UDRP-106859

Case number	CAC-UDRP-106859
Time of filing	2024-09-11 14:09:41
Domain names	xiaomi.moscow

Case administrator

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

Complainant

Organization	Xiaomi Inc

Complainant representative

Organization	CSC Digital Brand Services Group AB

Respondent

Name	Artem Kuznecov

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

In this proceeding the Complainant relies on various "XIAOMI" trademark registrations, including the following:

- International trademark registration (IR) under the "Madrid" system No. 1177611 "XIAOMI" (figurative, stylized word), registration date is November 28, 2012 and protected inter alia in Albania, Australia, Belarus, Croatia, European Union, Mexico and Russia;
- IR No. 1313041 "XIAOMI" (figurative, stylized word), registration date is April 14, 2016 and protected inter alia in Australia, Austria, Bahrain, Benelux, France, Germany, Israel, Kazakhstan, Mexico, Morocco, New Zealand and Russia; and
- US trademark registration No. 4527605 "XIAOMI" (figurative, stylized word), registration date is May 13, 2014.

FACTUAL BACKGROUND

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

THE DISPUTED DOMAIN NAME IS IDENTICAL OR CONFUSINGLY SIMILAR TO A TRADEMARK OR SERVICE MARK IN WHICH THE COMPLAINANT HAS RIGHTS

The Complainant was founded in April 2010 and was listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2018. The Complainant is a consumer electronics and smart manufacturing company with smartphones and smart hardware connected by an Internet of Things (IoT) platform at its core. The Complainant claims that it has grown to become one of the leading providers of innovative technology worldwide and its range of products includes phones, smart home devices including vacuums or kitchen appliances, and lifestyle goods such as smart watches or electric scooters.

The Complainant alleges that its global user base exceeds 594 million, with an estimated 618 million IoT connected devices. In the first quarter of Fiscal Year 2023, it achieved a revenue of RMB 59.5 billion and an adjusted net profit of RMB 3.2 billion. The Complainant also refers to its strong online presence with 15 (fifteen) million "Facebook" followers and likes, 4.4 million "X" (former "Twitter") followers and 4.6 million "Instagram" followers.

The Complainant states that its "XIAOMI" and "MI" brands are well recognized and respected worldwide.

The Complainant claims that the disputed domain name is identical or confusingly similar to its "XIAOMI" trademarks as the second level domain consists solely of the Complainant's trademark.

Besides, the Complainant highlights that the Respondent is using the disputed domain name to resolve to a website that displays the Complainant's official "MI" logo and purports to offer "XIAOMI" branded products for sale, the authenticity of which Complainant is unable to confirm at present. Such use suggests that the Respondent intended the disputed domain name to be confusingly similar to the Complainant's trademark as a means of furthering consumer confusion, see sec. 1.15 of "WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition" ("WIPO Overview 3.0").

THE RESPONDENT HAS NO RIGHTS OR LEGITIMATE INTERESTS IN RESPECT OF THE DISPUTED DOMAIN NAME

The Complainant asserts that the Respondent is not sponsored by or affiliated with the Complainant in any way. The Complainant has not licensed, authorized or permitted the Respondent to use its trademarks in any manner, including in domain names. The Respondent is identified as an individual from Russia unrelated to the disputed domain name in any manner.

The Complainant points out that the Respondent is not making a bona fide offering of goods or services or legitimate, noncommercial fair use of the disputed domain name. The disputed domain name resolves to a website that features Complainant's official "MI" logo as well as images of its "XIAOMI" branded products. This indicates that the Respondent intends to take advantage of the fame and goodwill of the "XIAOMI" brand.

The Complainant alleges that the Respondent failed to comply with the "OKI Data" test:

- Firstly, the Complainant is unable to ascertain the authenticity of the goods offered at the disputed domain name's website and the Respondent also offers for sale goods of the Complainant's competitors such as "Realme", "OnePlus" and "Oppo" and

- Secondly, there is no visible disclaimer on the website to clarify that the website is not endorsed or sponsored by the Complainant to explain the non-existing relationship with the trademark holder. Rather, the Respondent's use of the official "MI" logo throughout its website and the favicon is likely to cause consumer confusion about the source of the disputed domain name and its website.

Besides, the Complainant notes that the Respondent registered the disputed domain name after Complainant's trademark registrations with WIPO and the USPTO.

By the time the Respondent registered the disputed domain name, the Complainant already had a worldwide reputation in its trademark. Therefore, the disputed domain name carries a high risk of implied affiliation with the Complainant which cannot be considered a fair use.

THE DISPUTED DOMAIN NAME WAS REGISTERED AND BEING USED IN BAD FAITH

The Complainant's submissions on the bad faith element can be summarized as follows:

- The Complainant and its "XIAOMI" and "MI" trademarks are known internationally with trademark registrations across numerous countries. The Respondent has demonstrated familiarity with the Complainant's brand and business. Moreover, the fact that the Respondent is using the disputed domain name to offer "XIAOMI" products for sale reflects his awareness of the "XIAOMI" brand and trademarks;
- The Complainant alleges that the disputed domain name has been used for purposes of launching a phishing attack, which evidences bad faith. The Respondent offers visitors a login page and registration page, possibly for gathering personal and financial information, which poses a security risk and may potentially be a phishing scam. The Complainant alleges that the Respondent tries to masquerade as the Complainant in an attempt to solicit sensitive, personal information from unsuspecting people. The Complainant refers to WIPO Overview 3.0 and asserts that the use of a domain name for illegitimate activity is manifestly considered evidence of bad faith;
- The Complainant states that the Respondent creates a likelihood of confusion with the Complainant and its trademarks, by registering a domain name incorporating the "XIAOMI" trademark and connecting it to a website that features Complainant's logo as well as images of "XIAOMI" branded products. The Respondent not only allegedly offers for sale the Complainant's products but also products of the Complainant's competitors; The impression given by the disputed domain name and the website would cause consumers to believe the Respondent is somehow associated with the Complainant when, in fact, he is not. This behavior of the Respondent falls within par. 4(b)(iv) of the Policy and
- The Complainant claims that the Respondent's use of the disputed domain name constitutes a disruption of Complainant's business and qualifies as bad faith registration and use under par. 4(b)(iii) because the disputed domain name is confusingly

similar to Complainant's trademarks and the website is being used to offer Complainant's products without the Complainant's authorization or approval.

Based on the above the Complainant claims that the disputed domain name has been registered and is being used in bad faith.

PARTIES CONTENTIONS

The Complainant's contentions are summarized in the Factual Background section above.

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.

Language of the administrative proceeding

The Registrar in its verification stated that the language of the registration agreement is Russian.

The Complainant requests to conduct this proceeding in English based on the following grounds:

- Translation of the complaint and all materials would unfairly disadvantage and burden the Complainant and delay the proceedings and adjudication of this matter;
- Additional delay poses continuing risk to the Complainant and its customers, taking into account the abusive nature of the website at the disputed domain name;
- The disputed domain name consists of only Latin characters;
- The website at the disputed domain name features various phrases in English;
- The term "XIAOMI" does not carry any specific meaning in the Russian language;
- The email address listed associated with the disputed domain name uses the English word "sales", which further demonstrates that the Respondent is able to communicate in English;
- To allow the Respondent to dictate the course of this matter and further burden the Complainant would contravene the spirit of the UDRP and disadvantage the Complainant and
- The Complainant requests the Panel to use its authority under par. 11 (a) of the Rules and determine that the language of the administrative proceeding shall be English.

Under par. 11 (a) of the UDRP Rules unless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement, the language of the administrative proceeding shall be the language of the Registration Agreement, subject to the authority of the Panel to determine otherwise, having regard to the circumstances of the administrative proceeding.

The Panel needs to consider the interests of both parties to the proceeding and provide them with a fair opportunity to present their case and at the same time to ensure that the administrative proceeding takes place with due expedition.

The Panel carefully considered the need to conduct this proceeding with due expedition and the issue of fairness to both parties and

decided to accept the Complainant's request and conduct this proceeding in English.

The disputed domain name is indeed in Latin characters and the website contains an email address consisting of Latin characters including the English word "sales".

This is, per se, insufficient to conclude that the Respondent is able to understand English and communicate in English.

However, the Respondent was notified by the CAC in both Russian and English languages about this proceeding, he did not submit any response (whether formal or informal) and he never accessed the online platform of the CAC.

The Panel knows both Russian and English and had the Respondent submitted any response and/or evidence in Russian, the Panel would have considered such response /evidence.

However, the Respondent chose not to respond. In particular, the Respondent did not challenge choice of the English language as the language of this proceeding and never questioned the language issue in this dispute.

The Panel notes the obvious character of this dispute (as will be elaborated below) and its obligation to ensure that the administrative proceeding takes place with due expedition.

Based on the above the Panel agrees with the Complainant and decides to proceed in English.

PRINCIPAL REASONS FOR THE DECISION

A. Identical or confusingly similar

The Complainant provides evidence of various trademark registrations for the "XIAOMI" mark effective in various jurisdictions.

As confirmed by WIPO Overview 3.0: "where the complainant holds a nationally or regionally registered trademark or service mark, this prima facie satisfies the threshold requirement of having trademark rights for purposes of standing to file a UDRP case" (see sec. 1.2.1).

Therefore, the Complainant proved that it has trademark rights in respect of "XIAOMI".

The test for confusing similarity under the UDRP is relatively straightforward and 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.

The disputed domain name fully incorporates the "XIAOMI" mark as a second level domain. There are no other elements in the second level domain name.

Therefore, the Panel finds that the disputed domain name is indeed identical to the "XIAOMI" marks of the Complainant, taking into account that the Complainant's marks referred to above represent a stylized word "XIAOMI".

The TLD ".moscow" is to be disregarded under the confusing similarity test as it does nothing to eliminate confusion.

Therefore, the Panel finds that the first requirement of the Policy has been satisfied.

B. Rights or Legitimate Interests

The general rule is the following:

(i) a complainant is required to make out a prima facie case that the respondent lacks rights or legitimate interests; and

(ii) once such prima facie case is made, the burden shifts to the respondent who has to demonstrate his rights or legitimate interests in respect of the domain name under paragraph 4 (c) of the Policy.

If the respondent fails to do so, the second element of the Policy is satisfied, see **"Julian Barnes v. Old Barn Studios", WIPO Case No. D2001-0121** and sec. 2.1 of WIPO Overview 3.0.

According to Whois data provided by the Complainant, the creation date of the disputed domain name is September 1, 2017.

The Respondent did not respond.

While failure to respond does not per se demonstrate that the Respondent does not have rights or legitimate interests, it allows the Panel to draw such inferences as it considers appropriate, see paragraph 14(b) of the Rules and **CAC Case No. 101284**: "A respondent is not obliged to participate in a proceeding under the Policy, but if it fails to do so, reasonable inferences may be drawn from the information provided by the complainant".

The disputed domain name is used for a website that advertises and claims to sell various goods under the "XIAOMI" brand as well as goods of other manufacturers. It is unclear whether the website is a genuine online shop.

The Complainant states that the Respondent has not been authorized to conduct any business under the "XIAOMI" mark including operating an online shop selling goods of the Complainant and its competitors.

As established by UDRP case law resellers (both authorized and unauthorized) can have a legitimate interest in respect of a disputed domain name under certain circumstances, see sec. 2.8 of WIPO Overview 3.0 and "Oki Data Americas, Inc. v. ASD, Inc.", WIPO Case No. D2001-0903, <okidataparts.com>.

Resellers' use of domain names can, under certain circumstances, constitute "a bona fide offering of goods or services" under 4 c.(i) of the Policy.

Usually UDRP panels consider four (4) criteria outlined in 2.8 of WIPO Overview 3.0 and in the "Oki Data" decision.

At the same time, while the "Oki Data" test has consistently been applied since 2001, it can be adapted to specific circumstances of a particular case and some UDRP panels adopt a more holistic approach to the Oki Data criteria, see sec. 2.3 of "UDRP Perspectives on Recent Jurisprudence", ("UDRP Perspectives") updated August 30, 2024.

The nominative fair use doctrine allows registration and use of domain names to describe nature of respondent's business and as noted by Gerald Levine: "The registration of domain names incorporating marks is lawful provided that the goods or services are genuine and respondents are not attempting to pass themselves off (impersonating) as the mark owner or misrepresent its relationship or independence from it" (see "**The Clash of Trademarks and Domain Names on the Internet**", Volume 1, Gerald M. Levine 2024, "Legal Corner Press", page 93).

The Panel reviewed both screenshots of the website at the disputed domain name provided by the Complainant (translated into English) and conducted its own research under its powers granted to the Panel under rule 10 (a) of the UDRP Rules and reviewed the website at the disputed domain name on the date of drafting this decision.

The website states that it is the official/branded shop of "XIAOMI" and sells "official" (certified) goods. The website contains the Complainant's "MI" logo.

There is no disclaimer or any express statement that would explain the actual nature of the Parties' relationship (e.g. that the Respondent is not an official reseller/distributor of the Complainant's goods). The Respondent actually claims that he is.

The Panel notes that presence or absence of a disclaimer is not always a decisive factor in deciding whether the site "accurately discloses the registrant's relationship with the trademark owner" (see e.g. "Airbus SAS v. Ben Riecken", **WIPO Case No. D2023-3842**).

This Panel looks both at the four "Oki Data" factors and at multiple factors related to the registration and use of the disputed domain name under a more holistic approach such as composition of the disputed domain name, content of the website as well as any other circumstances relating to the use of the domain name and Respondent's purported business (see sec. 2.3 of UDRP Perspectives).

Based on the above, the Panel finds that the Respondent failed to comply with the nominative fair use test criteria.

The Panel finds the Respondent failed to accurately disclose his relationship with the trademark owner, taking into account absence of clear statements on his website, presence of a false claim that the website is the "official" or "branded" online shop of "XIAOMI" goods, the nature of the disputed domain name and overall content of the website.

The Panel notes that as provided in WIPO Overview 3.0 "a respondent's use of a domain name will not be considered "fair" if it falsely suggests affiliation with the trademark owner; the correlation between a domain name and the complainant's mark is often central to this inquiry" and generally "UDRP panels have found that domain names identical to a complainant's trademark carry a high risk of implied affiliation" (see sec. 2.5 and 2.5.1).

Here the composition of the disputed domain name, in the Panel's view, suggests endorsement and impersonation and actual use of the disputed domain name supports this. The disputed domain name is identical to the Complainant's marks and is used for a website that pretends to be a "branded" store of the Complainant. The website does not contain any information about the Respondent or his business, including his actual name, other than claims that it is a "branded XIAOMI store".

This Panel believes that the composition of the domain name is not the only factor in deciding whether resellers/distributors have a legitimate interest. Rather, it is one of the multiple factors and other factors are actual use of the domain name, nature of such use and content of the website.

Nevertheless, in this dispute the composition of the disputed domain name along with the content of the website indicate Respondent's intent to create a false affiliation with the Complainant and/or a false endorsement by the Complainant.

The Panel also highlights that the Respondent is not using the website to sell only the trademarked goods and it is unclear whether the Respondent indeed sells genuine Complainant's goods.

It is obvious both from the Complainant's submissions and Panel's own research that the website at the disputed domain name also offers for sale goods of the Complainant's competitors.

This practice is unfair and goes against "nominative fair" use purpose and is considered as "bait and switch".

To sum up, nominative fair use must be fair and Respondent's use of the disputed domain name in the circumstances of this case is not fair.

Therefore, the Panel finds that the Complainant has satisfied the second element of the Policy.

C. Registered and Used in Bad Faith

Paragraph 4(b) of the Policy lists non-exhaustive circumstances indicating registration and use in bad faith. These circumstances are non-exhaustive and other factors can also be considered.

The Panel first notes that the failure to comply with the nominative fair use test does not automatically establish respondent's bad faith (see sec. 2.3 of UDRP Perspectives and "Thor Tech Inc. v. Eric Kline", **WIPO Case No. D2023-4275**).

If respondent's behavior does not fall within the scope of abusive domain name registration (or "cybersquatting"), there is no bad faith.

Cybersquatting or abusive registration can be defined as "registration made with bad-faith intent to profit commercially from others' trademarks" (see par. 4.1 c. of the ICANN "Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy", 1999).

It is well established that bad faith under the UDRP is broadly understood to occur where a respondent takes unfair advantage of or otherwise abuses a complainant's mark (see sec. 3.1 of WIPO Overview 3.0). Targeting with an intent to take an unfair advantage of the complainant's mark is important in establishing bad faith under the UDRP.

As noted in UDRP Perspectives, sec. 3.3: "Targeting can be established by either direct evidence (e.g. content of the website) or circumstantial evidence such as strength of the mark and nature of a disputed domain name (e.g. mark plus a term describing Complainant's business), timing of registration of a domain name and timing of trademark registration, geographic proximity of the parties. **Targeting is easier to prove where the domain name corresponds to a highly distinctive mark primarily associated with one single holder or a well-known mark**".

Here the direct evidence indicates that the Respondent targeted the Complainant and such targeting was with an intent to profit commercially from the Complainant's trademarks.

The Panel finds that the disputed domain name was registered and is being used in bad faith based on the following:

- The nature of the disputed domain name: identical a to well-known "XIAOMI" trademark and the timing of the registration of the disputed domain name, years after the Complainant obtained protection for the trademarks and started its business. The Complainant provided evidence that its marks are widely-known and enjoy a strong reputation. Based on the fame and strong reputation of the "XIAOMI" trademark and available evidence the Panel finds that the Respondent registered the disputed domain name keeping in mind the marks of the Complainant. The composition of the disputed domain name demonstrates an intent to target the Complainant;

- The nature of use of the disputed domain name and the content of the website clearly demonstrate targeting. The content of the website is related to the Complainant and its goods, the website claims to be a "branded (official) store" of the Complainant. The website promotes and offers goods of the Complainant and goods of its competitors for sale;

- The Respondent registered and is using the disputed domain name to take advantage of the Complainant's trademarks. The Respondent's use of the disputed domain name creates an impression of affiliation or endorsement. The Respondent uses the website to promote and offer for sale both the Complainant's goods and goods of its competitors. This type of behavior fits the notion of cybersquatting/abusive registration and is prohibited by the Policy. While the Panel is not entirely persuaded that this case is a case of phishing as there is no actual evidence of phishing (the fact that the website has a login page does not per se prove phishing), the Panel finds that other evidence submitted by the Complainant clearly proves both bad faith registration and use;

- Based on the above, the Panel finds that Respondent's behavior falls within, at least, par. 4 b (iv) of UDRP and the Respondent by using the disputed domain name has intentionally attempted to attract, for commercial gain, Internet users to his web site, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement. Respondent's behavior also falls within 4 b. (iii) of the Policy as the Respondent's registration of the disputed domain name is done primarily "for the purpose of disrupting the business of a competitor", see also **CAC Case No.106756:** "Respondent's domain name is confusingly similar to Complainant's XIAOMI trademark and the disputed domain name's website is being used to offer Complainant's goods without Complainant's authorization or approval. Past panels have confirmed that using a confusingly similar domain to mislead consumers and then offering a complainant's goods or services is evidence of bad faith registration and use". Besides, it is clear that the Respondent targeted the Complainant with an attempt to take unfair advantage of the Complainant's mark and this in itself indicates bad faith.

The Panel holds that the third requirement of the Policy has been satisfied.

FOR ALL THE REASONS STATED ABOVE, THE COMPLAINT IS

Accepted

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

1. **xiaomi.moscow**: Transferred

PANELLISTS

Name	**Igor Motsnyi**

DATE OF PANEL DECISION 2024-10-17

Publish the Decision