(Hong Kong Office)

ADMINISTRATIVE PANEL DECISION

Case No. HK-2501960

Complainant 1: Imiracle (HK) Limited

Complainant 2: Imiracle (Shenzhen) Technology Co., Ltd.

Respondent: Marco Aurelio
Disputed Domain Name(s): <elfbarbrasil.com>

1. The Parties and Contested Domain Name

The First Complainant is **Imiracle** (HK) **Limited**, of **19H MAXGRAND PLAZA**, **NO.3 TAIYAU ST SAN PO KONG KLNHK**

The Second Complainant is Imiracle (Shenzhen) Technology Co., Ltd., of 2801, Tower A, Minsheng Internet Blog., No.5073 Menghai Ave., Nanshan Sub-dist., Qianhai Coop. Zone, Shenzhen, China.

The Respondent is Marco Aurelio, of Rua Carlos Jorge Schmidt, Sao Paulo, 04880-040, Brazil.

The domain name at issue is **elfbarbrasil.com**, registered by Respondent with **NAMECHEAP INC**, of **4600 East Washington Street**, **Suite 300**, **Phoenix**, **AZ 85034**, **USA**.

2. Procedural History

The Complaint was filed electronically with Hong Kong Office of the Asian Domain Name Dispute Resolution Centre (the "Centre" or "ADNDRC") on January 14, 2025.

The ADNDRC acknowledged the receipt of the Complaint and transmitted by email to the Registrar, "NameCheap, Inc.", a request for registrar verification on January 15, 2025.

On January 22, 2025, the Registrar transmitted by email to the ADNDRC its verification response revealing the identity and contact information of the Respondent of the disputed domain name as Marco Aurelio, of Rua Carlos Jorge Schmidt, Sao Paulo, 04880-040, Brazil, which differed from the named Respondent and contact information in the Complaint.

The ADNDRC notified the Complainants of the Deficiencies of the Complaint on January 22, 2025. The ADNDRC provided the registrant and contact information disclosed by the Registrar and asked the Complainants to do the following: to update the Registrar's information in the Complaint, indicate which of the two Complainants the Disputed Domain Names should be transferred to, to provide a scanned copy of the signed PDF version of the Complaint, to confirm whether the Complainant wishes to renew registration of the disputed domain name that was about to expire on February 19, 2025. The ADNDRC invited the Complainants to submit an Amended Complaint. The Complainant submitted an Amended Complaint on January 26, 2025.

The ADNDRC verified that the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the "Policy") adopted by the Internet Corporation for Assigned Names and Numbers ("ICANN") on August 26, 1999 and approved by ICANN on October 24,1999, the Rules for Uniform Domain Name Dispute Resolution Policy (the "Rules") approved by ICANN on September 28, 2013, and in effect as of July 31, 2015, and the ADNDRC Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the "Supplemental Rules") in effect as of August 21, 2023.

In accordance with the UDRP Rules, paragraphs 2 and 4, the ADNDRC formally notified the Respondent of the Complaint, to the person listed on Respondent's registration as technical, administrative, and billing contact and to the corresponding postmaster's email address by e-mail, including a Written Notice, and provided the Amended Complaint (and Annexes) to the Respondent. The proceeding commenced on January 27, 2025.

The Complainants selected to have the case decided by a single-member Panel. The deadline for response was February 16, 2025. The Respondent submitted his Response on February 15, 2025.

On February 17, 2025, pursuant to the Complainants' request to have the dispute decided by a single-member Panel and the Respondent's acceptance of a single-member Panel choice, the ADNDRC appointed Igor Motsnyi as Panelist in this administrative proceeding. The Panel has confirmed the Statement of Acceptance and Declaration of Impartiality and Independence, as required by ADNDRC to ensure compliance with the UDRP Rules, paragraph 7.

The Registrar of the disputed domain name is "NameCheap, Inc. and the disputed domain name was registered on February 19, 2024. The disputed domain name resolves to a website that markets and offers for sale goods under the Complainants' "Elfbar" trademarks in Brazil.

3. Factual background

The Complainants

The First Complainant was established in 2022, and the Second Complainant was established in 2017. Both companies are the holders of the "ELF BAR" marks protected in various jurisdictions and are responsible for the day-to-day operations of the "ELF BAR" business. Both Complainants operate the business of manufacture and sale of disposable vapes under the "ELF BAR" brand.

The Complainants allege that the disputed domain name can mislead the consumers, and the Respondent does not have rights or legitimate interest in respect of the disputed domain name and the Respondent has malicious intent in the registration and use of the disputed domain name. The disputed domain name is used for a website marketing and offering Complainants' products for sale in Brazil.

The Complainants request transfer of the disputed domain name to the Second Complainant.

The Respondent

The Respondent claims that his use of the disputed domain name is purely descriptive and is necessary to describe the specific products sold via his website ("Elf Bar" products) and "Brasil" refers to the target market—Brazil.

The Respondent requests to deny the Complaint.

4. Parties' Contentions

A. Complainants

The Complainants' contentions may be summarized as follows:

Identical or confusingly similar to trademarks of the Complainants

- i. Both Complainants are engaged in manufacture and sale of "ELFBAR" goods, namely a range of disposable vapes. The Complainants claim that their "ELFBAR" products have become one of the most popular brands on the market. According to the Complainants, their consumer base to date has covered dozens of countries around the world, with monthly sales of over 10 million units and over one million consumers. The Complainants provide various publications about their "ELF BAR" products that confirm use of the marks and popularity of the "ELF BAR" brand in a number of countries, including the UK, some EU member states and Brazil. The Complainants allege that their "ELF BAR" products enjoy a high level of popularity and influence and their "ELF BAR" brand has become highly recognizable in the world.
- ii. The Complainants state that they both own trademarks rights in respect of "Elf Bar" including the following trademark registrations:
 - UK Trademark Registration Number UK00003646223 "ELFBAR" (word), registration date is October 15, 2021, application date is May 24, 2021, protected for some goods in class 34;
 - EU Trademark Registration Number 018365272 "ELFBAR" (word), registration date is May 19, 2021, application date is December 29, 2020, protected for some goods in class 34;
 - International Trademark Registration under the "Madrid" system No. 1619099 "ELFBAR" (word + device), registration date is July 22, 2021, protected for some goods in class 34, protected in Bahrein, the Philippines, Republic of Korea, Republic of Moldova, Vietnam and Thailand and

- Brazilian Trademark Registration No. 928237443 "ELFBAR" (word + device), registration date is January 16, 2024, application date is October 04, 2022, protected for some goods in class 34.
 - The First Complainant is the owner of the Brazilian trademark No. 928237443, and the Second Complainant is the owner of the UK, EU and the International Registrations provided above.
- iii. The Complainants claim that the disputed domain name is confusingly similar to their "ELF BAR" trademarks since it incorporates the "ELF BAR" mark in its entirety, the addition of a geographical element "Brasil" (Brazil) does not affect confusing similarity and the <.com> gTLD has to be disregarded. Therefore, the Complainants claim that their satisfied the first UDRP element.

Rights or Legitimate Interest

- iv. The Complainants allege that the disputed domain name impersonates or suggests sponsorship or endorsement by the trademark owner and does not constitute fair use.
- v. The Complainants claim that the Respondent does not have any trademark rights over the terms "Elf Bar" or any other relevant rights. The Complainants have never authorized the Respondent to conduct any activity under the "Elf Bar" mark and that the Respondent does not have any other rights or legitimate interest in the disputed domain name.

Registration and Use in Bad Faith

- vi. The Complainants' contentions on the bad faith element can be summarized as follows:
 - The Complainants claim that their "ELF BAR" mark is widely-known and acquired a high degree of distinctiveness and the Respondent was aware of the Complainants' trademark;
 - The Complainants claim that the website to which the disputed domain name resolves does not accurately and prominently disclose the relationship between the Respondent and the Complainants;
 - The Complainants believe that the Respondent is using the disputed domain names intentionally to attempt to attract, for commercial gain, users to his web site by creating a likelihood of confusion with Complainants' trademark as to the source, sponsorship, affiliation or endorsement of his web site. Pursuant to paragraph 4(b)(iv) of the Policy, this constitutes evidence of both bad faith registration and bad faith use.

B. Respondent

The Respondent's contentions may be summarized as follows:

i. The Respondent does not question trademark rights of both Complainants over the "ELF BAR" marks. The Respondent, however, claims that his use of the disputed domain name is purely descriptive and non-infringing. In particular, the Respondent alleges that his choice of the composition of the disputed

- domain name accurately represents the products and location of the business (Brazil).
- ii. The Respondent states that the disputed domain name does not mislead consumers into thinking that the Respondent is the official "Elf Bar" brand. Rather, it clearly communicates that the Respondent is a retailer offering authorized products specifically for the Brazilian market.
- iii. The Respondent alleges that he purchases the "ELF BAR" products from the official distributors and claims to spend 20,000 USD per month on purchasing authorized products. The Respondent submits that his use of the disputed domain name is in accordance with industry practices of descriptive use of marks. The Respondent adds that he made efforts to avoid any confusion or misrepresentation. He claims that he has already made changes to his website to ensure that the content does not mislead consumers.
- iv. The Respondent asserts that transferring the disputed domain name to the Second Complainant would violate ICANN policy, specifically "ICANN's "Country Code Top-Level Domain (ccTLD) guidelines", since the disputed domain name includes "Brasil", name of the country. According to the Respondent, the transfer of the disputed domain name to a foreign company would result in harm to the rights of Brazil in its ability to control the use of its country name in domain names.
- v. The Respondent submits that this Complaint should be denied.

5. Findings

The ICANN Uniform Domain Name Dispute Resolution Policy provides, at Paragraph 4(a), that each of three findings must be made in order for a Complainant to prevail:

- i. Respondent's domain name is identical or confusingly similar to a trademark or service mark in which Complainant has rights; and
- ii. Respondent has no rights or legitimate interests in respect of the domain name; and
- iii. Respondent's domain name has been registered and is being used in bad faith.

Procedural matter: Complaint filed by two Complainants

This Complaint is filed by the two Complainants. Both Complainants have rights over the "ELF Bar" trademarks and appear to be members of the same group of companies. The Panel takes note of the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition ("WIPO Overview 3.0"), sec. 4.11.1, that states that in assessing whether a complaint filed by multiple complainants may be brought against a single respondent, panels look at whether (i) the complainants have a specific common grievance against the respondent, or the respondent has engaged in common conduct that has affected the complainants in a similar fashion, and (ii) it would be equitable and procedurally efficient to permit the consolidation. This Panel agrees with the position in WIPO Overview 3.0 and finds that both Complainants in the present dispute have a common grievance against the Respondent since they both own the "ELF BAR" trademarks, both operate business under the trademarks in various countries and their trademark rights are affected by the disputed domain name. The Panel finds that it would be equitable and procedurally efficient to accept the Complaint filed by both Complainants for consideration in the circumstances of this dispute taking into account par. 10 (e) of the UDRP Rules.

Therefore, the Panel accepts that the Complaint in this dispute is properly filed by the two Complainants and will therefore refer to them collectively as "Complainants".

A) Identical / Confusingly Similar

The Complainants provide proof of registration of various "ELF BAR" trademarks provided above. Therefore, the Complainants established trademarks rights for the purpose of the UDRP. The disputed domain name fully incorporates the "ELF BAR" trademark of the Complainants plus a geographical term "Brasil" (Brazil). As stated in WIPO Overview 3.0, where the trademark is recognizable within the disputed domain name, the addition of other terms (whether descriptive, **geographical**, pejorative, meaningless, or otherwise) would not prevent a finding of confusing similarity under the first element (see sec. 1.8), see also par. 130, section 4.1 of the "Guide to HKIAC Domain Name Dispute Resolution", Second Edition.

The "ELF BAR" trademark of the Complainants is clearly recognizable within the disputed domain name and the addition of a geographical term does not prevent confusing similarity. Moreover, the <.com> gTLD is a merely technical requirement and does not affect confusing similarity analysis.

Therefore, the Complainants have satisfied the first UDRP element.

B) Rights and Legitimate Interests

The disputed domain name was registered on February 19, 2024 and it is used for a website that markets and sells the Complainants' products under the "ELF BAR" trademarks.

The Complainants submit that the Respondent does not have any rights or legitimate interest. The Respondent claims that his use of the disputed domain name is descriptive and is in accordance with industry practices.

The Respondent appears to be a reseller of the Complainants' goods in Brazil. The Complainants submit that he is not an authorized distributor or reseller.

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.

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 "<u>UDRP Perspectives on Recent Jurisprudence</u>", ("UDRP Perspectives") updated on January 15, 2025.

The nominative fair use doctrine allows registration and use of domain names to describe the 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" and "Respondents cannot claim nominative use of another's mark without demonstrating that the goods or services they are offering are distinctive from those of the mark owners. The use cannot convey the false impression that the goods or services respondents offer through their websites are sponsored by complainants" (see "The Clash of Trademarks and Domain Names on the Internet", Volume 1, Gerald M. Levine 2024, "Legal Corner Press", page 93 and page 450).

The Panel carefully reviewed the evidence and arguments submitted by both Parties and conducted its own independent research under its powers granted by rule 10 (a) of the UDRP Rules and reviewed the website at the disputed domain name. According to the evidence submitted by the Complainants, the website at the disputed domain name was initially claiming to be "official shop" of "Elf Bar". The Respondent claimed that he changed the website content and indeed there is no more "official shop" statement on the website. However, there is no disclaimer or any statement that would clarify that the Respondent's business has no affiliation with the Complainants, and he is not an official reseller of the Complainants and the "Loja Oficial" ("Official Shop" in English) text still appeared in the browser when the Panel accessed the website at the disputed domain name.

At the same time, some panels found that disclaimer's presence or absence is not 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 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 the Respondent's business (see sec. 2.3 of UDRP Perspectives).

The Respondent satisfies the following criteria of nominative fair use by resellers/distributors: i) he seems to be offering the goods at issue, ii) it appears that he offers only the trademarked goods, at least the Complainants do not argue that any other goods are offered via the website and there is no information that would indicate this and iii) there is no evidence that the Respondent tries "to corner the market" in domain names that reflect the trademark.

However, the Panel finds that the Respondent failed to accurately disclose his relationship with the trademark owner, taking into account absence of clear statements on his website, the nature of the disputed domain name (that fully incorporates their "Elf Bar" trademark plus a geographical element "Brasil"/"Brazil") and the 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". "Where a domain name consists of a trademark plus an additional term (at the second- or top-level), UDRP panels have largely held that such composition cannot constitute fair use if it effectively impersonates or suggests sponsorship or endorsement by the trademark owner" and "certain geographic terms are seen as tending to suggest sponsorship or endorsement by the trademark owner" (see sec. 2.5 and 2.5.1 of WIPO Overview 3.0).

Here the composition of the disputed domain name, in the Panel's view, suggests endorsement and impersonation.

This Panel believes that the composition of the domain name is not the only factor in deciding whether resellers have a legitimate interest.

Rather, it is one of the multiple factors and other factors are actual use of the domain name and content of the website. While the Respondent changed the content of his website and removed a claim that his website is an "official shop", he did not provide any information that would allow to understand a true nature of his website. The Panel finds that the composition of the disputed domain name calls for further explanations as to the nature of the Respondent's business and such explanations are missing.

In this dispute the composition of the disputed domain name along with the other factors go against the Respondent and suggests a false endorsement and impersonation.

Based on the above, the Panel finds that the Respondent failed to demonstrate his rights or legitimate interest.

Therefore, the Panel finds that the Complainants have satisfied the second element of the Policy.

C) 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 necessarily establish respondent's bad faith, see sec. 2.3 of "UDRP Perspectives", "Thor Tech Inc. v. Eric Kline", WIPO Case No. D2023-4275 and par. 161, sec. 4.3 of the "Guide to HKIAC Domain Name Dispute Resolution", Second Edition: "It is generally agreed that lack of rights or legitimate interests in the domain name is insufficient to establish bad faith".

If respondent's behavior does not fall within the scope of abusive domain name registration, there is no bad faith. Abusive domain name registration can be defined as "registration made with badfaith 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). This Panel agrees that targeting with intent to take an unfair advantage of the complainant's mark is important in establishing bad faith under the UDRP.

Here there is no question that the Respondent was aware of the Complainants and registered the disputed domain name because of the Complainants and their "Elf Bar" trademarks.

The question is whether the Respondent's behavior falls within the UDRP scope of bad faith registration and use. The Respondent claims that his use is purely descriptive and complies with the industry practices. The Respondent also argues that transfer of the disputed domain name to the Second Complainant would violate ICANN rules on country names. The Complainants allege that Respondent's use of the disputed domain name does not accurately and prominently disclose the relationship between the Respondent and the Complainants.

The Panel first finds that the Respondent's arguments as to possible violation of ICANN rules relating to ccTLDs and country names are irrelevant. The present dispute is about a gTLD (.com) and is governed by the UDRP.

However, the Panel notes that the Respondent's arguments regarding alleged descriptive use are not without merits. Resellers and distributors may be allowed to use third parties' trademarks in domain names to describe their business. However, such use is not unrestricted.

Direct evidence in this dispute clearly indicates that the Respondent targeted the Complainants, and such targeting was with an intent to profit commercially from their trademarks. The Respondent chose the disputed domain name that fully incorporates the trademarks of the Complainants plus a geographical term that may indicate affiliation or endorsement, and he failed to properly describe the nature of his business, even after he made changes on his website, and this, in Panel's view, affects the bad faith analysis.

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

- The nature of the disputed domain name confusingly similar to widely-known trademarks plus a geographical term and the timing of the registration of the disputed domain name many years after the Complainants obtained protection for their trademarks and started their business. This indicates that the disputed domain name was registered with the intent to take advantage of the Complainants' marks.
- The nature of use of the disputed domain name and the content of the website clearly demonstrate targeting and commercial use. The content of the website at the disputed domain name does not explain the true nature of the Respondent's business. Moreover, when the Panel accessed the website there was still a text "Loja Oficial" / "Official Shop" (in English) in the browser (while this statement was removed from the website content).
- The Respondent registered and is using the disputed domain name to take advantage of the Complainants' trademarks. The Respondent is free to operate his business and resell the Complainants' goods under a different domain name that does not imply affiliation or endorsement with the Complainant's marks. However, the Respondent's use of the disputed domain name so strongly connected to the Complainants' business and marks that it creates an impression of affiliation or endorsement, is unfair.
- The Panel finds that despite the arguments made by the Respondent his use of the disputed domain name cannot be considered as purely descriptive and goes beyond purely descriptive 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 and that the Respondent targeted the Complainants with an attempt to take unfair advantage of the Complainants' marks.

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

6. Decision

For the foregoing reasons, in accordance with Paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the disputed domain name <elfbarbrasil.com> be transferred to the Second Complainant.

Igor Motsnyi /

Panelist

Dated: 26 February 2025