



28 Jun
2021

Legitimate interests behind passive holding

International - [Hogan Lovells](#)

- The owner of the mark AACHHO, as well as several domain names including the term 'aachho', sought the transfer of 'aacho.com' under the UDRP
- The panel found that the respondent had convincingly proved that he was engaged in a wedding-related business under the mark AACHO
- No evidence was submitted to establish that the domain name was registered in anticipation of trademark rights by the complainant

In a recent [decision](#) under the [Uniform Domain Name Dispute Resolution Policy](#) (UDRP) before WIPO, a panel has denied the transfer of a passively-held domain name on the grounds that the respondent had successfully demonstrated his *bona fide* preparations to use this domain name and the lack of targeting of the complainant at the time of registration.

Background

The complainant was Rimjhim Hada, based in India, who claimed to operate his business under his mark AACHHO, registered in India in September 2018. The complainant also held a number of domain names incorporating the term 'aachho' or its misspelling, all of which redirected to his website at <http://www.aachho.com/>. His earliest domain name registration was for 'aachho.com', registered in August 2016.

The respondent was Ajay Gupta from KPC International, based in India, who claimed to be engaged in a wedding-related business. He applied for his Indian trademarks AACHO in January 2021 claiming use since 2014 and, after he was notified by WIPO of this dispute proceeding, filed trademark cancellation actions against the complainant's Indian trademarks in March 2021.

The domain name 'aacho.com' was registered by the respondent in September 2014. At the time when the complaint was filed, it simply pointed to a parked page and was offered for sale by the respondent.

To be successful in a complaint under the UDRP, a complainant must satisfy the following three requirements under Paragraph 4(a):

- The domain name registered by the respondent is identical, or confusingly similar, to a trademark or service mark in which the complainant has rights;
- The respondent has no rights or legitimate interests in respect of the domain name; and
- The domain name has been registered and is being used in bad faith.

Decision

Paragraph 4(a)(i)

The complainant contended that he had held the registered trademark AACHHO since September 2018 and submitted additional evidence to support his common law rights and goodwill under this mark prior to 2018. According to the complainant, the domain name consisted of a misspelling of his trademark, which should not prevent a finding of confusing similarity under the UDRP. The respondent stated that the domain name corresponded to his common law rights in the AACHO trademark, which was adopted in 2013 and used commercially since 2014.

The panel pointed out that the complainant's lack of registered trademark rights prior to the registration of the domain name was irrelevant to the assessment on confusing similarity. Since the domain name consisted of a misspelling of the complainant's trademark (ie, the letter 'H' was missing), it was considered to be confusingly similar to the trademark in question. The first limb was therefore satisfied.

Paragraph 4(a)(ii)

The complainant submitted that the respondent had never actively used the domain name and had no intention to do so in future. The respondent contended that he was working on the development and content of the website associated with the domain name, and provided evidence not only on his adoption of the AACHO trademark in 2013, but also on the recognition that he had gained as a wedding planner under this mark since 2014. The respondent further argued that he was entitled to maintain the domain name or to offer it for sale.

Given that none of the evidence provided by the complainant on his unregistered trademark rights in AACHHO predated 2018, while the domain name was registered in 2014, the panel found that the complainant had not made out a *prima facie* case that the respondent lacked rights or legitimate rights in the domain name. On the contrary, the panel was of the view that the documents submitted by the respondent convincingly

proved that he was genuinely engaged in a wedding-related business under this mark since 2014. Further, in the panel's opinion, the fact that the respondent had initiated cancellation proceedings before the Indian Trademark Registry against the complainant's AACHHO trademark was in furtherance of the respondent's efforts to establish rights in his AACHO mark. The second limb was therefore not satisfied and the complaint was dismissed.

Paragraph 4(a)(iii)

For the sake of completeness, the panel continued to examine the third requirement under the UDRP. The complainant contended that the respondent's offer to sell the domain name at the price of \$2 million clearly showed that he had registered the domain name for unlawful commercial gain and thus in bad faith. He also argued that the non-use of the domain name should not prevent a finding of use in bad faith. The respondent rebutted the complainant's arguments by stating that he registered the domain name with a view to establishing his presence online and that his offer to sell the domain name was not illegitimate *per se*.

The panel highlighted that the domain name was registered before the complainant acquired any rights in AACHHO, and no evidence was submitted by the complainant to establish that the domain name was registered in anticipation of trademark rights by the complainant. The panel therefore found that the registration of the domain name, under such circumstances, could not be held to be in bad faith. The panel further underlined that, based on the evidence put forward by the complainant, the respondent may not have attempted to sell the domain name specifically to the complainant for \$2 million but, instead, offered it for sale to the public without quoting a price; in any event, the offer to sell a domain name consisting of dictionary words (the panel noted that the term '*aachho*' meant 'good' in a regional language in India) was not illegitimate in itself. The third limb was therefore not satisfied.

Comment

The respondent's lack of bad faith is clear in the present case, where the domain name was registered before the complainant acquired any registered or well-established common law trademark rights. The question may arise as to whether the complainant filed this complaint in bad faith or whether he simply over-estimated his chances of success by mistakenly believing that the passive holding of the domain name and the respondent's lack of any corresponding trademark would be sufficient to support his claims. In this sense, it is interesting to note that the panel did not issue a finding of reverse domain name hijacking against the complainant. In any event, this case once again illustrates why it is always important to conduct an initial assessment based on all factors and risks before filing any complaint under the UDRP.

Jane Seager

Hogan Lovells

Ying Lou

Hogan Lovells

TAGS

[Online](#), [Internet and Online](#), [International](#)