

THE INTERFACE BETWEEN TRADEMARKS AND DOMAIN NAMES - LEGAL CHALLENGES IN INDIA

*Dr. Poonam Dass

ABSTRACT

This paper is an attempt to study the legal issues relating to protection of trademarks in cyberspace. The key issues discussed include the extent to which Indian legislation and judicial decisions have addressed the challenges posed by the interface between trademarks and commercial domain names.

Are domain names entitled to the same protection as trademarks?

The major function of a trademark is to identify and distinguish the goods or services of one entity from those of another. Domain names are relevant to customers because they perform the same role as trademarks or trade names in helping to distinguish e-businesses online. Therefore, businesses tend to register the names associated with their trademark as Internet domain names.

The *Trademarks Act, 1999* protects trademarks that are registered in India by providing for legal action in the event of infringement.¹ However, unregistered trademarks are given protection through the common law remedy of 'passing off' or through 'trademark dilution'. The available forms of relief in actions for infringement or passing off are injunctions, damages and accountings of profits.

The Supreme Court of India discussed the problem of protection of domain names in *Satyam Infoway Ltd. v. Sify.net Solutions Pvt. Ltd.*² In that case, Satyam Infoway (appellant) registered several domain names, such as sify.net, sifymall.com and sifyrealstate.com in June 1999. Siffy.net (respondent) started an Internet marketing business under the domain names siffynet.com and sifynet.net on 5 June, 2001. Satyam Infoway filed a suit on the grounds that Siffy.net was passing off its business name and domain name. The court granted the temporary injunction in favour of Satyam Infoway. Siffy.net preferred an appeal to the Karnataka High Court. The appeal was allowed. Satyam Infoway then appealed that decision to the Supreme Court, which allowed the appeal on the basis that Siffy.net was seeking to profit from the appellant's reputation as provider of services on the Internet.

The question raised in the appeal was whether Internet domain names were subject to the legal norms applicable to other intellectual property rights, such as trademarks, and whether a domain name could be considered as a word or name that was capable of distinguishing the subject of trade or service made available to potential users of the Internet.

The Court held that a domain name acts as a business identifier on the Internet and was entitled to equal protection as a trademark. As more commercial enterprises trade or advertise their presence on the Web, domain names have become more valuable. Therefore, the potential for disputes is high.³

The Supreme Court further pointed out a key distinction between trademarks and domain names. Trademarks are protected individually by the laws of the countries in which they are

* **Dr. Poonam Dass** (India) is an Assistant Professor in the Faculty of Law, University of Delhi, India. Dr. Dass specializes in Intellectual Property and Cyber Law. She obtained her PhD in the Legal Aspects of Cyber Transactions from the University of Delhi. Dr. Dass has published in the areas of intellectual property and Cyber Law, and has presented papers at national and international conferences.

¹ Section 29 of *The Trade Marks Act, 1999*.

² AIR 2004 SC 3540; 2004(28) PTC 566 (SC).

³ Ibid.

registered. Consequently, trademarks may have multiple registrations in many countries throughout the world. On the other hand, since the Internet faces no such geographical limitations, domain names are accessible irrespective of the consumer's location. Owing to universal connectivity, a domain name would require worldwide exclusivity. Therefore, national laws alone were inadequate for the effective protection of domain names.

The Court noted that there was no statute in India to protect or resolve disputes involving domain names. Though the *Trademarks Act, 1999* had no extra-territorial application and might not provide for the adequate protection of domain names, domain names could be legally protected under the laws relating to passing off in India.

*Thus, in India, the law is now settled that domain names are more than an Internet address. They are valuable corporate assets that are entitled to equal protection as trademarks.*⁴

Protection of a trademark vis-a-vis a domain name

By using domain names that are identical or deceptively similar to the well-known trademarks, e-businesses make themselves vulnerable to disputes concerning trademark infringement, trademark dilution or passing off actions. The disputes may arise with respect to cybersquatting or reverse cybersquatting. There may be disputes between the domain name holders *inter se*, such as typo-squatting. Apart from resorting to ICANN's Dispute Resolution Policy (UDRP), the remedy in India is either to seek recourse in the court system, or to have the disputes resolved through the .IN Domain Name Dispute Resolution Policy (INDRP).

This section will discuss legal challenges relating to the ICANN/UDRP System, the jurisdiction of courts in domain name disputes, disputes relating to owners of trademarks and domain name owners, and disputes concerning domain name owners *inter se*.

The ICANN/UDRP system for international domain name protection and dispute resolution

The lacuna in international domain name regulation led to the creation of the international regulation of the domain name system, which was the responsibility of the World Intellectual Property Organization (WIPO)⁵ and the Internet Corporation for Assigned Names and Numbers (ICANN).⁶ The consultation between WIPO and ICANN resulted not only in the creation of a system of domain name registration, but also in the Uniform Domain Name Resolution Policy [UDRP] in 1999. The registration is on a first come, first served basis. Such registration does not by itself provide protection under Indian Trademark Law. However, it does provide evidence of use of the mark, as was decided in the Satyam case to be discussed further in the paper.

⁴ See *Rediff Communications v. Cyberbooth*, AIR 2000 Bom 27; *Yahoo Inc. v. Akash Arora*, 1999 PTC (19) 201 (Del); *Dr. Reddy's Laboratories Ltd v. Manu Kosuri*, 2001 PTC 859 (Del); *Aqua Minerals Ltd v. Pramod Barse*, 2001 PTC 619 (Del); *Info Edge (India) Pvt Ltd v. Shailesh Gupta* 2002 (24) PTC 355 (Del); *Celador Productions Ltd v. Gaurav Mehrotra*, 2003 (26) PTC 140 (Del); *Pen Book Pvt Ltd. v. Padmaraj Emily* 2004 (29) PTC 137 (Ker); *Tata Sons Ltd. v. Fashion ID Ltd*, 2005 (30) PTC (Del.) 182; *Buffalo Network Pvt. Ltd v. Manish Jain* 2005(30) PTC (Del) 242.

⁵ World Intellectual Property Organization. Domain Name Dispute Resolution. <http://www.wipo.int/amc/en/domains/> [Accessed 4 May 2011].

⁶ Internet Corporation for Assigned Names and Numbers. 'About'. <http://icann.org/en/about/>. [Accessed 5 May 2011].

Under the UDRP policy, a complaint can be filed on the grounds that the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights.⁷ Similarity is decided on the possibility of deception among potential customers. In an action for passing off, similarity is also based on deception caused to consumers due to the identity or similarity of the marks. The defences⁸ available to a complainant are also substantially similar to those available in an action of passing off under Indian Trademark Law.

The jurisdiction of Indian courts in domain name disputes

Cyberspace is a borderless environment. Global e-commerce is possible through the Internet. In order to host a website, an e-business has to register a domain name. One can access the website from anywhere in the world with the help of a domain name. Sometimes, a registered domain name may be deceptively similar to a trademark or another domain name. This may lead to disputes among the owners of domain names *inter se*, or between domain names and trademarks owners residing in different jurisdictions. The defendant in such cases may not be residing within the territorial jurisdiction of Indian courts. Thus, this raises an issue of personal jurisdiction over non-resident defendants in domain name disputes.

Rules governing the jurisdiction of courts in civil suits are primarily national in character, i.e. they are part of, and stem from a country's domestic legal system. In determining whether they have jurisdiction over a particular matter, courts apply the procedural laws of the country to which they belong i.e. (*lex forum*). As every country has its own laws, the lack of uniformity often results in conflicts.

Sections 19 to 20 of the *Civil Procedure Code*, 1908 (CPC) lay out the rules relating to personal jurisdiction in India. Section 19 deals with lawsuits relating to compensation for wrongs against persons or movables. Such actions may be initiated where the wrongs occurred, where the defendant resides or carries on business, or where the defendant works for personal gain. It does not cover foreign torts. Section 20 deals with other lawsuits, which may be initiated on the same conditions as well as on where the cause of action arose (in whole or in part).⁹

In the case of non-resident defendants, courts can exercise jurisdiction if the 'cause of action'¹⁰ wholly or partly arises within the court's territorial jurisdiction. When a non-resident

⁷ Rule 4(a)(i), UDRP Policy.

⁸ *Ibid.*, Rule 4(c).

⁹ Section 20, *Civil Procedure Code* - Other suits to be instituted where defendants reside or cause of action arises - Subject to the limitations aforesaid, every suit shall be instituted in Court within the local limits of whose jurisdiction -

- (a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or
- (b) any of the defendants, where there are more than one, at the time of the commencement of the suit actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or
- (c) the cause of action, wholly or in part, arises.

¹⁰ In the restricted sense cause of action means the circumstance forming the infraction of the right or the immediate occasion for the action. In the wider sense it means the necessary conditions for the maintenance of the suit, including not only the infraction of the right, but the infraction coupled with the right itself. Compendiously the expression means every fact which it would be necessary for the plaintiff to prove if

defendant is involved in an infringement action or a trademark dispute relating to passing off or trademark dilution, jurisdiction over the matter arises from Section 20(c) of the CPC. However, with respect to infringement or other rights relating to registered trademarks, Section 134(2) of the *Trademarks Act, 1999* provides another forum, i.e. the place of residence of plaintiff.

In *Casio India Co Ltd. v. Ashita Tele System Pvt. Ltd.*¹¹, the Delhi High Court assumed jurisdiction over a defendant residing in Bombay on the basis that the defendant's website could be accessed from Delhi. The Court held that in passing off disputes, the cause of action arises wherever the website could be accessed, and that jurisdiction cannot be confined to territorial limits of the defendant's residence.¹²

The Delhi High Court again dealt with the question of the jurisdiction in cyberspace in the case of *(India TV) Independent News Service Pvt. Limited v. India Broadcast Live LLC and Ors.*¹³ In that case, the India TV Independent News Service (plaintiffs) ran a television channel called INDIATV. It also owned the website, indiatvnews.com. The television channel was available for live viewing on the website. In January 2007, India Broadcast Live (defendants) launched a news channel, indiatvlive.com, in India and Los Angeles. The website prominently displayed the words 'INDIA TV' inside the sketch of a television. The plaintiff, Independent News Service, filed for an injunction to prevent the defendant, India Broadcast Live, from using the mark 'INDIATV' as part of its domain name or in any other manner on their website. It also asked the Court to compel the defendant to transfer the domain name 'indiatvlive.com' to Independent News Service.

The Court granted the *ex parte* injunction. India Broadcast Live moved an application to set aside the injunction. The alleged grounds for the application were that the defendant company had no presence in India. It had been formed and was effectively established in the United States.

Independent News Service also filed a defensive counter-claim seeking an injunction against India Broadcast Live from proceeding with the 'reverse cybersquatting' action it had instituted in the Arizona District Courts [India Broadcast Live was seeking a declaration of non-infringement of the plaintiffs mark in Arizona]. India Broadcast Live challenged the claim of Independent News Service by contending that the Arizona Court, and not the Delhi High Court, was the court of competent jurisdiction. It also argued that in any event, the Delhi High Court was *forum non conveniens*. Independent News Service asserted that all the defendants in the case were American entities not amenable to the personal jurisdiction of the Delhi High Court.

The Delhi High Court stated that in order for it to assume personal jurisdiction, the following factors had to be considered. First, whether India Broadcast Live's activities had a sufficient connection with the forum State (India). Second, whether the cause of action arose out of the defendant's activities within the forum. Third, whether the exercise of jurisdiction would be reasonable. The Court noted that the mere accessibility of a website in a particular place may not be sufficient to assume personal jurisdiction over the owners of the website. However, if the website was interactive, permitting the browsers to subscribe to the services provided by the owners/operators, the position would be different. Further, limited interactivity of the website, for example, one restricted to

traversed, in order to support his right to the judgment of court. Every fact which is necessary to be proved as distinguished from every piece of evidence which is necessary to prove each fact comprises in cause of action'. See Sarkar, *Code of Civil Procedure*, Tenth edition, (Nagpur: Wadhwa and Co., 2004), page 184.

¹¹ MANU/DE/0739/2003; 2003 (27) PTC 265 (Del).

¹² Ibid., paragraph 6(b).

¹³ MANU/DE/1703/2007; 2007 (35) PTC177 (Del).

receiving Internet browsers' names and expressions of interest (but not signing up for services) may not be sufficient for the Court to exercise personal jurisdiction.¹⁴

The Delhi High Court held that the website 'indiatvlive.com' was not passive in nature. The services offered on the website could be accessed by subscription around the world, including from Delhi, (India), which was within the jurisdiction of the Delhi High Court. Some articles published on the website also showed that indiatvlive.com was targeting the Indian market, and had been launched in both Delhi and Los Angeles. Since Independent News Service targeted Indian audiences, it would suffer damage in the local market because the defendant's website was accessible and open to receiving subscriptions in India. Hence, the defendant was carrying on activities within the jurisdiction of the Court; had sufficient presence in the jurisdiction of the court; and the claim had arisen because of India Broadcast Live's activities within the jurisdiction of the Court. Consequently, the Court could exercise personal jurisdiction over the defendants.¹⁵

In *Banyan Tree Holding (P) Limited v. A. Murali Krishna Reddy*¹⁶, the Division Bench of Delhi High Court dealt with a case on the ambiguities involved in deciding jurisdiction, based on the accessibility of a website. The Court overruled the decision in the *Casio Case* discussed above. Instead, it supported the view laid down in *India TV*, which acknowledged that the mere accessibility of a website in a territory might not be sufficient to attract the jurisdiction of a court.

In this case, neither Murali (defendant) nor Banyan Tree (plaintiff) was situated within the jurisdiction of the Delhi Court. The defendant was in Hyderabad, which is not within the local limits of Delhi High Court. Hence, Section 20(a) and (b) CPC are not applicable. The plaintiff had its registered office in Singapore and was in the hospitality business. The plaintiff's trademark was the word 'Banyan Tree' and the banyan tree device (graphic). The plaintiff also maintained the websites www.banyantree.com and www.banayantreespa.com. Both websites were accessible in India. In collaboration with the Oberoi Group, the plaintiff had been operating 15 spas across India. The defendant had started work on a project under the name 'Banyan Tree Retreat'. It had advertised its project on their website www.makprojects.com/banyantree. The plaintiff filed for an injunction in Delhi High Court, seeking to bar the defendant from using the mark on the basis of deceptive similarity. The plaintiff was seeking territorial jurisdiction of the Delhi Court on the basis of Section 20(c) CPC. The plaintiff contended that cause of action wholly or partly arose in Delhi because of two factors, firstly that the website of the defendants was accessible in Delhi. The website was not passive but used for soliciting business in Delhi. Secondly, that there was at least one instance of the defendants' brochure being sent to a Delhi resident for the purposes of sale of property.

The Delhi High Court judge assigned to the case referred it to a panel of judges in the Court's Division Bench. The Division Bench of Delhi High Court framed the following questions: (i) In what circumstances does hosting a universally accessible website lend jurisdiction to Court in passing off or infringement suits where the plaintiff is not carrying on business within the jurisdiction of a Court ('the forum court')? (ii) In a passing off or infringement action where the defendant's website is accessible in the forum State, what is the burden on the plaintiff to establish a prima facie case that the

¹⁴ Ibid., at paragraphs 47 and 48.

¹⁵ Ibid., at paragraphs 49, 50, and 51.

¹⁶ CS (OS) No.894/2008, decided on 23 November 2009 (Del) (DB). See also the decision of the Karnataka High Court in *Presteege Property v. Prestige Estates*, MFA No. 4954/2006 and 13696/2006 decided on 2 December 2009 (J. Bopamma held that in this case the website was accessible in Bangalore, however the nature of the defendant's activity was construction work in Kerala, and hence the sale could not take place in Bangalore. Therefore, a cause of action did not arise within the jurisdiction of the court).

forum court has jurisdiction over the suit? (iii) Is it permissible for the plaintiff to establish such a prima facie case through 'trap orders' or 'trap transactions'?

The Division Bench was of the opinion that:

In a suit for passing off and infringement where the plaintiff is not within the jurisdiction of forum state the plaintiff has to show in absence of long arm statute that defendant “purposefully availed” itself of the jurisdiction of the forum court. For this it would have to be prima facie shown that the nature of the activity indulged in by the defendant by the use of the website was with an intention to conclude a commercial transaction with the website user. Further, the specific targeting of the forum state by the defendant resulted in an injury or harm to the plaintiff within the forum state. To prove that some part of cause of action has arisen in the forum state the plaintiff has to prima facie show that the website whether “passive plus” or “interactive”, was specifically targeted at viewers in the forum state for commercial transactions. The Plaintiff would have to plead this and produce material to prima facie show that some commercial transaction using the website was entered into by the defendant with the user of its website within the forum state, resulting in an injury or harm to the plaintiff within the forum state. The commercial transaction entered into by the defendant with an Internet user located within the jurisdiction of the forum court cannot possibly be a solitary trap transaction since that would not be an instance of “purposeful” availment by the defendant. It would have to be a real commercial transaction that the defendant has with someone, not set up by the plaintiff itself. If the only evidence is in the form of a series of trap transactions, it should be shown that fair means have been used to obtain them. Further, the Plaintiff has to aver unambiguously in the plaint, and place along with it supporting material, to prima facie show that the trap transactions relied upon satisfy the above test.¹⁷

The Court returned the case to the single judge so it could be decided according to the law it had laid down. In the author's opinion, this is the correct law applicable to Internet-related disputes.

Effect of the decisions of administrative panels based on ICAAN policy (UDRP) or Panel of Arbitrator under INDRP on the jurisdiction of the Courts

Indian courts have held that the decisions of administrative panels based on ICAAN policy (Uniform Domain Name Resolution Policy – UDRP) are not binding in India. Therefore, the decision of an ICANN/UDRP administrative panel will not operate as *Res judicata*. The UDRP and .IN Dispute Resolution Policy (INDRP)¹⁸ have been formulated by non-profit organizations and not by the legislature. The policies provide for limited remedies and do not oust the jurisdiction of the courts. The decision of a Panel under the UDRP or INDRP is not equivalent to an arbitration award as there is no written agreement between the parties that could be subject to arbitration.

¹⁷ Ibid., *Banyan Tree*, paragraph 58.

¹⁸ The INDRP is available at <http://www.registry.in/Policies/Dispute%20Resolution>
[Accessed on 8 November 2010]

This position was reflected in *Beiersdorf A.G. v. Ajay Sukhwani and Anr.*¹⁹ where the Delhi High Court considered whether the decision of the WIPO Administrative Panel, based on the UDRP, amounted to *res judicata*. Beiersdorf A.G. (plaintiff) had a well-known trademark, 'NIVEA', a worldwide toiletries brand. Ajay Sukhwani (defendant) started an educational consultancy service using the domain name www.niveainternational.com. One of its defences was that in 1991, the administrative panel of WIPO had rejected the complaint of the plaintiff. After referring to the rules of the policy, the Court held that the decision of the Administrative Panel was not binding and therefore would not trigger the doctrine of *res judicata*. Further, the decision was not an arbitral award, which could be enforceable under the *Arbitration and Conciliation Act, 1996*. Hence, the Panel's decision did not bar the jurisdiction of the civil courts under Section 9 of the CPC.

In *Citi Corp v. Todi Investors*²⁰, the Citi Corp (plaintiff) had filed for a permanent injunction against the Todi Investors (defendant) to prevent them from using the trademark 'CITI', and to transfer the domain name 'citi.in' to the plaintiff. The defendant filed an application to quash the complaint because the subject matter of the suit was covered by the INDRP. The defendant argued that in view of the provisions contained in Section 2(2)²¹ and Section 5²² of the *Arbitration and Conciliation Act, 1996*, the application was no longer sustainable when read in harmony with Section 9²³ of the *Code of Civil Procedure (CPC), 1908*.

The Delhi High Court held that the scheme of the Policy and the rules framed thereunder showed that there was no explicit ouster of the jurisdiction of the civil court. In terms of an implicit bar to the jurisdiction of civil courts, the Court stated that the INDRP was not a new statutory remedy that could bar their jurisdiction under Section 9, CPC. The Policy²⁴ had not been formulated by legislature, but by the National Internet Exchange of India (NIXI), a not for profit company, under Section 25 of the *Companies Act, 1956*. It was merely an alternative dispute resolution policy. The aggrieved person could still resort to the courts in spite of an arbitral decision based on the INDRP Policy. Further, if proceedings were pending before the Court, the panel could not transfer the domain name.²⁵

Additionally, the Court found that the status of an arbitrator under the .INDRP was neither that of a judge nor a judicial officer. The prescribed qualifications of arbitrators merely require some expertise in computers or law, whereas under Section 134 of the *Trademarks Act*, only district courts have powers to decide cases of infringement and passing off. Therefore, a panel set up under the .INDRP policy is not a forum which can be said to provide adequate and effective machinery for

¹⁹ MANU/DE/1631/2008; 156 (2009) DLT 83.

²⁰ MANU/DE/3357/2006; 2006(33) PTC 631 (Del).

²¹ The *Arbitration and Conciliation Act, 1996*. Section 2(2) - This Part shall apply where the place of arbitration is in India.

²² *Ibid.*, Section 5 - Extent of judicial intervention - Notwithstanding anything contained in any other law for the time being in force, in matters governed by this part, no judicial authority shall intervene except where so provided in this Part.

²³ Section 9, *Civil Procedure Code, 1908* - Courts to try all civil suits unless barred. - The Courts shall (subject to the provisions herein contained) have jurisdiction to try all suits of a civil nature, excepting suits of which their cognizance is either expressly or impliedly barred.

²⁴ See *supra* footnote 17.

²⁵ Rule 12 of INDRP transfer of domain name during disputes during the pending arbitration/court proceedings, unless the party agrees in writing to be bound by court proceedings and Rule 3(b)(vii) of INDRP Rules of Procedure provides that the complaint should incorporate whether any legal proceedings have been commenced or terminated relating to the domain name that is the subject of complaint. These provisions show that .INDRP proceedings are not mandatory for complainants. See *supra* footnote 17.

redressing all the disputes. Further, the court said that INDRP is based on the lines of UDRP and that neither could oust the jurisdiction of courts.²⁶

The Court was also of the view that the provisions of the *Arbitration and Conciliation Act, 1996* could not be invoked unless there was a binding and written arbitration agreement between the parties. The mere act of registering with an alternative dispute resolution forum did not amount to an arbitration agreement. The Court rejected the defendant's application.²⁷

Disputes between the owners of trademarks and the owners of domain names

If domain name owners register marks identical or similar to the trademarks of others, this may lead to disputes where the domain name is used in relation to identical, similar, or different goods and services. The courts have protected such trademarks through the actions of trademark dilution, passing off and infringement.

Use of a domain name resulting in the likelihood of an association with the marks having reputation and goodwill

A domain name that is similar or identical to a distinctive or well-known mark may cause trademark dilution. The dilution may occur through 'tarnishment', whereby the domain name owner's use harms the reputation of the mark by making the mark less attractive, or through blurring, whereby the marks become less distinctive.

The word 'dilution' is not used in India's *Trademarks Act, 1999*. However, Section 29(4) of the Act provides for an infringement action where (i) a person uses in course of trade the mark identical or similar to the registered trademark; (ii) the mark is used in relation to goods or services which are not similar to those for which the trademark is registered; (iii) the registered mark has a reputation in India; and (iv) the use of a mark without due cause, takes unfair advantage of, or is detrimental to the distinctive character or reputation of the registered trademark.²⁸

The detriment may occur if the distinctiveness of the mark becomes blurred or if there is tarnishment of the mark. Hence, Section 29(4) is a type of trademark dilution. However, the test is stringent, as one has to prove identity or similarity between marks. There is no question of deception in this case.²⁹ In other cases of infringement the deceptively similar standard, as defined in Section 2(h)³⁰, is applied, whereas in Section 29(4) the legislature has consciously avoided using the words 'deceptively similar'. The courts have also given protection to unregistered well-known trademarks, when their use by others has caused trademark dilution.³¹

²⁶ See *supra* footnote 19, paragraph 43.

²⁷ *Ibid.*

²⁸ *The Trade Marks Act, 1999*, Section 29(4).

²⁹ See the Decision of Delhi High Court in *ITC Ltd. v. Phillip Morris*, I.A. NOS.12940/209, 12941/2009 and 12942/2009 IN CS(OS) 1894/2009, decided on 7 January 2010, paragraphs 48 and 49.

³⁰ See *supra* footnote 27, Section 2(h) - 'deceptively similar' – A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

³¹ *Daimler Benzaktiegesellschaft and Anr. v. Eagle Flask Industries Ltd.*, ILR (1995) 2 Del 817.

In *Super Cassettes Industries Ltd v. Mr Wang Zhi Zhu Ce Yong Hu*³², the plaintiff engaged in the business of consumer electronics, film production and audio/visual business under the corporate name 'Super Cassettes'. The business operated under the domain name www.supercassettes.com. Wang Zhi, the defendant had registered the domain name www.supercassettes.com, which it was using for adult material. The Court held that the defendant's action was detrimental to the plaintiff, and granted a permanent injunction along with damages of Rs. 5 lakhs (approximately \$11,000). The court also ordered the transfer of the domain name www.supercassettes.com to the plaintiff.

Other disputes between domain name owners and trademark owners

Cybersquatting

A cybersquatter is a person that registers a domain name that is similar to a legitimate trademark. The cybersquatter then attempts to extract money from the trademark holder in exchange for the domain name. This practice is commonly referred to as domain name piracy, cyber-piracy or cybersquatting. There is no statutory remedy in India to prevent cybersquatting. However, the courts have allowed passing off actions in cases where the domain names have been registered in bad faith.

Even in cases where the domain name holder has not used the domain name with respect to the same goods or services as the trademark holder, courts have still provided remedies on the various grounds, including trademark dilution, passing off and unfair competition.

In *Aqua Minerals Ltd v. Pramod Borse*³³, Aqua Minerals, the plaintiff, was the registered owner of the trademark 'BISLERI' and had applied for the domain name 'bisleri.com' through Network Solutions Inc. (NSI). In January 2000, the plaintiff discovered Pramod Borse had already registered the domain name on 11 December 1999. When the plaintiff called upon the defendant, the defendant demanded a large sum of money to transfer the domain name to the plaintiff. The Court ruled that the use of the plaintiff's trademark as a domain name by the defendant was likely to cause tremendous harm and prejudice, including pecuniary and other losses to the plaintiff. It also found that the defendant's demands for large sums of money had provided evidence of bad faith. The Court granted a permanent injunction against the defendant from using the domain name, and held that the plaintiff could approach the NSI to facilitate its transfer to the trademark holder.

The ICANN's Uniform Domain Name Resolution Policy (UDRP) also provides a remedy, whereby the domain name can be transferred to the complainant or cancelled if the registration is made in bad faith. One of the circumstances of bad faith registration of the domain name includes registration for the purpose of selling, renting or transferring for valuable consideration in excess of the domain name registrant's out-of-pocket costs directly related to the domain name.³⁴

³² MANU/DE/2000/2008.

³³ See *supra* footnote 4; see also *Dr. Reddy's Laboratories Ltd v. Manu Kosuri* (here the domain name registered by the defendant was 'drreddyslab.com', which was similar to 'Dr. Reddy', a famous mark); *Tata Sons Ltd v. Manu Kosuri and Ors*, 2001 PTC 432 (Del); *Pen Books Pvt. Ltd. v. Padmaraj*, 2004 (29) PTC 137 (Ker); *Ranbaxy Laboratories Ltd. v. PE-MM SP. ZO.O* 2007(35)PTC865(Del).

³⁴ The UDRP Policy. Rule 4(b) (i).

In India the INDRP policy, which is similar to the UDRP, also provides a remedy for the bad faith registration of a domain name.³⁵ In the author's opinion, the *Trademarks Act, 1999* should be amended to provide relief to trademark holders for cybersquatting. The law should provide for both injunctions, actual damages or elective statutory damages against cybersquatting, depending upon the reputation and distinctiveness of the trademark.

Reverse cybersquatting

In reverse cybersquatting, the trademark owner initiates proceedings to harass the innocent owner of a domain name to transfer the domain to them. In other words, it involves false cybersquatting proceedings. Generally, larger companies tend to use this practice against individuals or the smaller companies.

The *Trademarks Act, 1999* permits the use of registered marks by any person for identifying goods or services of the proprietor, if the use is '(a) in accordance with honest practices in industrial or commercial matters; and (b) is not to take unfair advantage of or be detrimental to the distinctive character or repute of the trademark'.³⁶ In actions for passing off, the courts allow the defence of 'honest and concurrent use'. Before allowing this defence the court looks into factors, such as the honesty of concurrent use, the quantum of the use (i.e. duration, volume and area of trade), proven instances of confusion, and the relative inconvenience that may be caused to the concerned parties.³⁷

Indian courts have yet to hear cases relating to reverse cybersquatting. However, in the absence of bad faith registration, or where a domain name holder has a legitimate interest in a similar/identical trademark, courts may bar infringement or passing off actions. The INDRP policy provides a remedy of transfer and cancellation of domain names, where the registrants have legitimate interests in the domain.³⁸

In the WIPO Arbitration and Mediation Centre case of *Maruti Udyog Limited v. Tell Ra*³⁹, the complainants owned the registered trademark 'MARUTI'. They wanted the respondent, Tell Rao, to transfer the domain name 'maruti.com' to them. The respondent countered by alleging reverse cybersquatting as he had registered a series of domain names reflecting his family's last name, including 'maruti.com'. He contended that 'Maruti' was another name of Lord Hanuman in India. It was the common practice in India to name their babies after their god. His family believed in Lord Maruti and the respondent's nephew was also named 'Maruti'. The name had been passed on from one generation to another in his family. The Panel held that the complainants had not provided

³⁵ The INDRP. Paragraph 4(iii). Available at <http://www.registry.in/.IN%20Domain%20Name%20Dispute%20Resolution%20Policy%20%28INDRP%29> [Accessed on 8 November 2010].

³⁶ *The Trade Marks Act, 1999*, Section 30(1).

³⁷ The Bombay High Court laid down the facts required to be proved for 'honest and concurrent use' under Section 12(3) of the *Trade and Merchandise Marks Act, 1958*, which is similar to Section 12 of the *Trade marks Act, 1999*. These are: '(1) The honesty of the concurrent use; (2) The quantum of concurrent use shown by the petitioners having regard to the duration, area and volume and trade and to goods concerned; (3) the degree of confusion likely to follow from the resemblance of the applicants' mark and the opponents' marks; (4) whether any instance of confusion have in fact been proved; and (5) the relative inconvenience which would be caused to the parties and the amount of inconvenience which would result to the public if the applicants' mark is registered.'. See *Kores (India) Ltd. v. Khoday Eshwarsa and Son*, MANU/MH/039/1984, paragraph 11.

³⁸ See *supra* footnote 34, paragraph 4(ii).

³⁹ WIPO Case No. D 2000-0518.

sufficient proof of a bad faith registration by the respondent, or evidence that he had no legitimate interest in the domain name. Hence, the complainants were denied relief.

Use of the trademarks as keywords for advertising

Search engines such as Google, Excite, Netscape and Yahoo, use keywords to classify websites according to their unique classification schemes. As a means of targeted advertising, these search engines sell keywords to advertisers. When Internet users include these words in their search terms, this triggers advertisements that link to the advertisers' websites. This practice affects trademark owners when their marks are commoditized as keywords and sold to persons other than the legitimate owners.

In *Consim Info Pvt. Ltd v. Google India*⁴⁰, Consim Info filed a suit of trademark infringement and passing off suit against Google and three other portals, Shaadi.com (People Group), Jeevansathi.com (Info Edge) and SimplyMarry.com (TBSL). Consim said that it had registered the trademarks 'bhararmatrimony centre', 'tamilmatrimony', 'telegumatrimony', 'bharatrimony', 'bengalimatrimony' etc. In an application for an interim injunction, Consim contended that Google was guilty of contributory infringement, as Google facilitated the advertisers' actions through its keyword suggestion tool. Google contended that it did not allow anyone *per se*, to use the registered trademarks of the Consim. It further contended that Consim's trademarks were combinations of two generic words upon which no exclusivity could be claimed. The Madras High Court held that:

... the offer of words by search engine in their suggestion tool, may not *per se* amount to an infringing use of a registered trade mark, as the search engine may not have knowledge that such names constitute registered trademarks. It is only in cases where a completely arbitrary or fanciful name, which has no nexus or connection with nature of goods or services, is adopted as trademarks, that the offer by search engine of that trademark in their keyword suggestion tool to the competitors of proprietor of the mark could be considered as amounting to vicarious or contributory infringement.⁴¹

On the facts, the Court ruled in favour of Google as the keywords 'Tamil', 'Matrimony' etc. were common words and their use in the search engine's keyword suggestion tool did not amount to direct or contributory infringement. Therefore, the Court denied Consim's application for an injunction.

The Indian *Trademarks Act, 1999* provides that a registered trademark is infringed by a person who uses a mark which is identical or deceptively similar to the registered mark, in the course of trade, and in relation to goods or services for which the mark is registered.⁴² The Act provides that use in advertising is also considered as use of a trademark for the purposes of an infringement action.⁴³ The Act further provides that 'a registered trade mark is infringed by any advertising if such advertising – (a) takes unfair advantage of, and is contrary to honest practices in industrial or commercial matters, or (b) is detrimental to distinctive character, or (c) is against the reputation of the

⁴⁰ Original Application Nos. 977 and 978 of 2009, Application Nos. 6001, 6380, 6381 and 6382 of 2009, and Application No. 247 of 2010 in Civil Suit No. 832 of 2009 decided on 30 September, 2010. Available at http://judis.nic.in/judis_chennai/qrydisp.aspx?filename=27855 [Accessed on 10 April, 2011].

⁴¹ *Ibid.*, at paragraph 200.

⁴² *The Trade Marks Act, 1999*, Section 29(1).

⁴³ *Ibid.*, Section 29(6)(d).

mark'.⁴⁴ Therefore use that satisfies the above conditions of the section raises liability for an infringement action.

Disputes between domain name owners inter se

Confusion and deception by the use of phonetically similar domain names/typosquatting

A registered domain name may be phonetically similar to an earlier registered domain name owner. This may lead consumers to confuse the source of e-services or to infer a trade connection between the two domain names. Indian courts have provided the relief to such an earlier domain name owner in a suit filed for passing off action, if the subsequent domain name owner has traded upon the reputation of the domain name, registered by an earlier domain name owner.

In *Satyam Infoway Ltd. v. Siffy net Solutions Pvt. Ltd.*⁴⁵, the Supreme Court of India held that the domain name 'siffy.com' and 'siffynet.com' were deceptively similar to each other. Hence, this would create confusion in the minds of consumers. The Court allowed the passing off action. In *Rediff Communications v. Cyberbooth*⁴⁶, Rediff (plaintiff) was carrying on a business providing services through the domain name 'rediff.com'. The Bombay High Court held that the Cyberbooth's (defendant) only object in adopting the domain name 'radiff.com' was to trade upon the reputation of the plaintiff's domain. The Court held that the defendant was passing off the services of the plaintiff and barred the defendant from using the domain name 'radiff.com'.

In *Info Edge (India) Pvt. Ltd v. Shailesh Gupta*⁴⁷, Info Edge's (plaintiff) had registered the domain name 'naukri.com'. Shailesh Gupta (defendant) started using the domain name 'naukari.com', which provided hyperlinks to his website jobsourceindia.com. The latter site provided services similar to those of the plaintiff. The Delhi High Court granted the injunction and barred the defendant from using 'naukari.com'. Similarly, in *Buffalo Network Pvt. Ltd v. Manish Jain*⁴⁸, the Buffalo Network (plaintiff) owned a news portal 'tehelka.com'. He had registered the domain name in 2000. Later, the Manish Jain (defendant) registered 'tachelka.com'. The Delhi High Court held that the defendant's use of a deceptively similar domain name amounted to passing off. In *The Federal Bank Ltd. v. Matt Hiller*⁴⁹, the Delhi High Court granted a permanent injunction against the use of a deceptively similar domain name held by the Matt Hiller.

In cases where a domain name is descriptive and has not acquired a secondary meaning, the courts have not allowed passing off actions. In *M/s. Online India Capital Co. Pvt. Ltd. v. M/s. Dimention Corporate*⁵⁰, Online Capital (plaintiff) owned and used the domain name

⁴⁴ Ibid., Section 29(8).

⁴⁵ See *supra* footnote 2.

⁴⁶ AIR 2000 Bom 27. See also *M/s. Online India Capital Co. Pvt. Ltd v. M/s. Dimention Corporate*. See *infra* footnote 49. (Here the domain names involved were www.mutualfundindia.com and www.mutualfundsindia.com).

⁴⁷ See *supra* footnote 4.

⁴⁸ *Idem*.

⁴⁹ MANU/DE/2508/2007 (The domain names involved were www.federal-bank.com and www.federalbank.co.in). See also *Essel Packaging Limited v. Sridhar Nara*, 2002(25) PTC 233(Del).

⁵⁰ MANU/DE/1004/2000. See also *Contests2win.com India Private Limited v. Cell Cast Interactive India Private Limited*, 2007(35) PTC727 (Bom). The plaintiff had the domain name www.contest2win.com and defendant bid2win. The Court at the prima facie stage refused to allow a passing off action as the '2win' denoted a common term; and *Plus Inc. v. Consim Info Private Limited and Network Solution Inc.*, MANU/MH/0939/2009. The Bombay High Court in the Notice of Motion refused to grant an injunction against

'www.mutualfundindia.com' for a mutual fund business. The plaintiff initiated a passing off action against Dimension Corporate (defendant) for using a deceptively similar domain name, 'www.mutualfundsindia.com'. The Delhi High Court held that the term 'mutual fund' was generic and that the term merely described the business of the plaintiff.

Conclusion

Indian Courts have found that domain names also perform the function of trademarks in that they facilitate the identification of trademark owners' businesses on the Internet. Hence, a domain name is entitled to equal protection as a trademark.

With respect to the issue of personal jurisdiction over a non-resident defendant operating a website with a deceptively similar domain name, the Division Bench of Delhi High Court in *Banyan Tree* concluded that apart from the degree of the interactivity, the nature of the activity has to be examined and whether such activity results in a commercial transaction. The plaintiff must necessarily plead and establish a prima facie case that the forum State market was specifically targeted by the defendant, and that this targeting resulted in an injury or harm to the plaintiff within the forum State.

Judicial decisions in India have established that a ruling under the UDRP/INDRP policies is an administrative decision, and not an award from an arbitrator enforceable under the *Arbitration and Conciliation Act, 1996*. Such decisions are not binding on the courts, have no finality, and will not operate as *res judicata*. These policies do not provide a statutory remedy and hence cannot oust the jurisdiction of the courts under Section 9 of the *Civil Procedure Code, 1908*.

Under Section 29(4) of the *Trademarks Act, 1999*, legislative protection is granted to trademarks that are registered in, or which enjoy an established reputation in India. Indian courts have held that Section 29(4) is a species of trademark dilution. Hence, an infringement action can be taken against the domain name owner, who uses such a reputed mark registered for different goods or services, if the conditions of Section 29(4) are satisfied. Unregistered reputed marks are given protection by courts, if the use of such marks as domain names, causes likelihood of association with the reputed marks in a manner that causes trademark dilution through blurring or tarnishment.

In cases of typosquatting, protection has been facilitated through passing off actions. However, where domain names were generic, descriptive, and have not acquired secondary meaning, the courts have refused to grant protection, even when faced with a subsequently registered domain name that is similar.

The cybersquatter registers the domain name to profit from selling it, despite having no legitimate interest in it. There is no statutory remedy for cybersquatting in India. However, courts have barred such defendants from cybersquatting through the common law remedy of passing off. This has been done on the grounds of bad faith registration of domain names. Protection has also been granted through the UDRP. In the case of 'in' disputes, this has been done through the INDRP.

the defendant for using the domain name www.indiaproperty.com. The plaintiff had the registered domain name www.indiaproperties.com. The services rendered on the website were details of properties available in various Indian cities. The Court held that 'India' and 'Property', whether in singular or in plural, are descriptive and generic words, having direct reference to the character and nature of services rendered, and can never be capable of protection as trademarks. The said trademark has also not acquired a secondary meaning.

India needs an anti-cybersquatting law, which would provide for elective statutory damages or actual damages, and injunctions. With regard to reverse cybersquatting, Rule 15(e) of the UDRP policy and paragraph 4(ii) of the INDRP policy protect innocent domain name holders from harassment by holders of similar or identical trademarks. In India, the trademark law provides protection if the use is in accordance with honest practices in industrial or commercial matters, does not take unfair advantage of, and is not detrimental to the distinctive character or reputation of the trademark. Indian courts have not yet heard cases of reverse cybersquatting. However, courts would protect domain names registered in good faith, or where the complainant has no legitimate interest in it.

When registered trademarks are used as keywords and are sold by search engines to e-businesses for advertising on web portals, the Indian courts have held that the search engines cannot be held liable for contributory infringement. This holding is subject to the caveat that the search engine has no knowledge that such words are trademarks. Further, if a fanciful and arbitrary name is used as a trademark and has no relation to goods or services offered by the competitors of trademark holders, such use may amount to contributory infringement.

The issue of identical trademarks (held in separate, non-overlapping jurisdictions), being registered as domain names by more than one trademark holder, remains unresolved. In the physical world, the problem of honest and concurrent users of identical marks is resolved by the *Trademarks Act, 1999*. However, in the borderless virtual world, two holders of identical trademarks registered in different physical jurisdictions cannot use the corresponding domain because of the single global registration system for domain names. Owing to this unique problem, many persons using the identical trademarks will stake claims for the same domain name. The registration occurs on a 'first to register'. This negatively affects the interests of other trademarks holders in different jurisdictions.

In conclusion, Indian courts do not exercise jurisdiction over a case merely because a website is accessible in India. Other conditions are considered, namely, the nature of the activity conducted by defendant through the website, and whether the intention of the website is to conclude a commercial transaction with Internet users within the forum State. The forum State must have been specifically targeted by the website, and must have resulted in injury to the plaintiff. The website should be interactive rather than passive in nature.

Legislation must be enacted to deal strictly with cybersquatters. The practice results from bad faith registration which adversely affects trademark holders. Search engines that sell trademarks in the form of keywords to advertisers should be held liable, if they knowingly contribute towards trademark violations by displaying offending advertisements.

Thus, universal global access to websites in a borderless virtual world requires worldwide exclusivity of domain names unlike the physical world, which has boundaries that enable identical trademarks to coexist in different jurisdictions. Further, the legal challenges resulting from the interface between trademarks and commercial domain names require separate legislation to address jurisdictional issues, and ensure the protection of trademark and domain names owners in cyberspace.

BIBLIOGRAPHY

International instruments

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), 1994, Annex IC

ICANN's Dispute Resolution Policy (UDRP), 1999

Paris Convention for the Protection of Industrial Property, 1883

The Management of Internet Names and Addresses: Intellectual Property Issues, Final Report of the WIPO Internet Domain Name Process (30 April 1999). Available at <http://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf>

Books

W. Cornish and D. Llewelyn, *Intellectual Property: Patents, Copyright, Trademarks and Allied Rights*, Sixth edition, (Sweet & Maxwell, 2007)

Paras Diwan, *Private International Law Indian and English.*, Fourth edition, (New Delhi: Deep and Deep, 1998)

Ferrara et al., *Cyber Law Text and Cases*, New edition (USA: West Thomas Learning, 2001)

D. Kitchin et al., *Kerly's Law of Trademarks and Trade Names*, 14th edition, (London: Sweet & Maxwell, 2005)

P. Narayanan, *Law of Trademarks and Passing Off*, Sixth edition, (Calcutta: Eastern Law House, 2004)

Chris Reed Chris, *Internet Law Text and Materials*, New edition, (London: Butterworths, 2000)

Sarkar, *Code of Civil Procedure*, Tenth edition, (Nagpur: Wadhwa and Co., 2004)

Articles and other documents

Benjamin G. Davis, 'Notes and current developments – the new thing: uniform domain name dispute resolution policy of the Internet Corporation for assigned names and numbers', *Journal of International Arbitration*, 17(3) (2000), 113-140

N. Pahwa, 'Updated: Both Consim Info and Shaadi Claim Madras HC Order Favors Them; Case Goes On', *Medianama*, (13 October 2009) [online]

Available at <http://www.medianama.com/2009/10/223-both-consim-info-case-goes-on/>

Denice T. Rice, 'Jurisdiction over Internet Disputes: Different Perspectives under American and European Law', *ABA Section on International Law and Practice*, Annual Spring Meeting, New York City, 8 May 2002 [online] Available at

http://www.howardrice.com/uploads/content/jurisdiction_internet.pdf