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Cybersquatting and Trademark Infringement

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ABSTRACT

The COVID -19 pandemic has affected nearly all the sectors of the economy and online business platforms are no exception to it. Recently there is a rise observed in the domain name registered by the person who is not the owner of such undertakings, such practices are coupled with infringement of trademark internationally where squatter's reserves the Meta tags similar to the famous brand names. Even though there are organisations which coordinate and manages with the domain name system and look at the distribution of the domain names and IP address but in India there is no such legislation which explicitly helps in resolving disputes related to cybersquatting and protect domain users. There have been precedents which persuade and have dealt with such cyber issues but there are no current applicable laws to give legislative force to the cybersquatting offence. There is a need to have tribunal and a parallel body to be formed in India which could look into such issues more seriously.

I. INTRODUCTION

In modern times every next business wants to be present in the cyberspace. It is marketed online through the internet and the information and services to the customer is provided online by the business entity. With the rapid progress of science and technology, these organisations must develop a footprint in cyberspace, which they can do by launching a website. The launching of website could be done by registering the domain name which is nothing but the name of the company or the business. There are two essential elements of domain name, the top level domain name which consists of .com (dot com), second level domain name which consists of .co (dot co) then comes the third level domain name which is known as trademark. In India, trademarks are known by a number of names. It may be the name of a page that is used to represent an internet protocol address which is a simple way to recall a large numerical value. Domain are easily remembered but it is often used to register for the company as a trademark.

Importance of domain name

With the increasing importance of use of internet there has been increase in importance to

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register for domain names. There is a tendency to register those domain names which are very well known in the business. The business or the commercial undertakings has to purchase the domain names to have the presence of the name the internet since most of the business prefer to register their name. ***The tendency of registering the name of the domain by the business or the commercial undertaking by the person who is not the owner of such undertakings is known as cybersquatting.***³

II. CYBERSQUATTING

In recent years, there has been a lot of fuss over trademark violations by different means, one of which is cybersquatting. Cybersquatting which is also reorganised by the name “domain name squatting⁴”. It is the method of recording or using the name of the domain with the malafide intention to get the economic benefits from the goodwill of the commercial undertakings of the trademark belonging to other person. After using the name of the domain with the bad intention the cyber squatters try to sell the name of the domain to the other person who owns a trademark contained within the name in a very exuberant price. Cyber Squatters generally ask for the high price than the price at which they have purchased. In the effort to buy the domain name from the company few cyber squatters try to put bad comments about the company. There are various categories of the cybersquatting and one of the most commonly seen is typo squatting. Typo squatters believe that by entering domain names into web browsers, Internet users would create typographical mistakes.⁵ It is often found that reserving a domain name does no harm.⁶ The only issue with cybersquatting is cyber squatters who want to take advantage of others' kindness and prestige in order to lure the public by registering a domain name. The famous domain's name is often misspelt in order to divert website traffic by causing confusion among internet users. Rival companies often enter into unfair competition which provides the gaping holes in the system of cyber squatters and thus helping them to blackmail the owners to the back what is rightly their own⁷.

³ S. Joy, *Domain Name, Cybersquatting and Domain Dispute Resolution*, accessed online at www.legalserVICES.com on 19 Feb 2021.

⁴ S. Ahmed, *Cybersquatting: Pits and Stops*, ILI Law Review, 2010.

⁵ Nandan Kamath, *Law Relating to Computers, Internet and E-Commerce – A Guide to Cyberlaws 167* (Universal Law Publishing Co., Delhi, 4th edn., 2009)

⁶ John D. Mercer, "Cybersquatting: Blackmail on the Information Superhighway", 6 *Boston University Journal of Science and Technology Law* 11 (2000).

⁷ Dr. Harman Preet Singh, (2018, December). *Cybersquatting and the Role of Indian Courts: A Review*. *Amity Journal of Computational Sciences (AJCS)*, 2(2), 18–23. https://www.researchgate.net/publication/330180461_Cyber_squatting_and_the_Role_of_Indian_Courts_A_Review?enrichId=rgreq-dd818d7b08b4b1e89ff6d4bb4aa3e757-XXX&enrich

Cybersquatting and Infringement of Trademark

Trademark infringement on the internet not only refers to squatting on the domain name but it also includes infringement of trademark internationally where squatter's reserves the meta tags similar to the famous brand names on the search engine such as yahoo, Google etc. The squatters often uses the famous names as the hidden text in the website which led the customer to an imposter website.

The domain name is often controlled by the Internet Cooperation for Assigned Names and Numbers ("ICANN"). ICAAN is the private organisation which coordinates and manages with the domain name system and look at the distribution of the domain names and IP address. However the actual registration of domain name is handled by the various various registrars of domain name situated across the countries. There have been various cases regarding domain name that has come up in the court across the countries some of them being Cybersquatting Competitors Disputes, Parody Disputes etc. Cyber-squatters nowadays is making a lot of profit as the price of registering the domain name is falling and the top level domains are getting accredited. The problem arises as the cyber-squatters tends to breach the trademark of the owner by preventing the owner to use his own trademark as in this case the trademark owner cannot register his own trademark as the domain name as long as cyber-squatters owns the domain name and the duplicity is the registered domain name is not allowed.

III. INDIAN POSITION: LAWS ON CYBERSQUATTING IN INDIA

In India there is no such legislation which explicitly helps in resolving disputes related to cybersquatting. The Trade Mark Act, 1999 is not extraterritorial which is helpful in protection of trademark of the domain name therefore it doesn't give proper safety to the domain names. Though the Supreme Court of India has been flooded with lot of case related to the cyber-squatting and the SC has opined that there is need to protect the domain names legally. This law in India has come up with the similar opinion by the judges of High Court and it was approved by the Supreme Court. In India in the year 2004 the leading case Infoway Ltd nailed the scenario of Indian domain name and it stated that "in India there is no such legislation which specifically deals with the resolution of disputes in connection with the domain names".⁸ In case of absence of cyber laws the remedy is to apply the laws of passing off and law of Trade

⁸ Z.H.K., P.C., & M.A.A. (2015, February). Cybersquatting and its Effectual Position in India. *International Journal of Scientific & Engineering Research*, Volume 6(ISSN 2229-5518), 880–886. https://www.researchgate.net/publication/273447839_Cybersquatting_and_its_Effectual_Position_in_India?enrichId=rgreq-d14cc208e159c06328545f2e943d06ac-XXX&enrichSource=Y292ZXJQYWdlOzI3MzQ0NzgzOTtBUzoyMDYyMDYwNzAyMDIzNzNAMTQyNjE3NDc2NjE5OQ%3D%3D&el=1_x_2&_esc=publicationCoverPdf

Mark Infringement. As it is clear that in India there is no such specific laws which deals which disputes related to trade mark infringement even then the court is taking the active role in providing relief in matter of cyber-squatting, though due to increasing number of case in the subject matter the people have started shifting to alternate method for dispute resolution such as Uniform Domain Name Dispute Resolution Process (UDNDRP) devised by World Intellectual property Organisation (WIPO) and International Cooperation for Assigned Numbers and Names (ICANN) instead of depending on proper legal process. It must be noted that the domain name dispute is not dealt by Trade and Merchandise Mark Act, 1958 and Information Technology Act 2000 therefore the courts of India apply the rule of “passing off”. The action of rule of passing off has come from the case *N.R. Dongre v Whirlpool*⁹ where it stated that “the goods may not be sold by the owner to the another person under the pretence that goods may be owned by another person.” Passing off is the unfair trade practice which means earning the unfair profit from the another person’s reputation in a business. Passing off is the matter of law of tort or common law of right. The Act clearly doesn’t define the rule of passing off but it provides the remedies to it. However to some extent the cybersquatting could be brought under the preview of Trade Mark Act. Therefore in the absence of the rule in India the above rule could be applied including the policies of WIPO and UNDRP.

Cyber-squatting has been defined in the leading case name *Manshi Vij v Indra Chugh*¹⁰ which the Indian courts follow. In the case cyber-squatting was defined as “the act to sell the domain name to the lawful owner of the name at a premium by the fraudulent registration”.

IV. IMPORTANT CASE LAWS IN INDIA ¹¹

*1) Yahoo Inc. V Aakash Arora & Anr*¹².

This was the first cyber-squatting lawsuit to be filed in India. In this case, the defendant created a website that was similar to the plaintiff's and offering a similar service. The court decided against the appellant and in favour of the trademark interests of the aggrieved group, Yahoo Inc. of the United States. According to the court, the defendant made an attempt to profit from the goodwill associated with Yahoo's trademark. The court has claimed that the registrant of a domain name does not gain any legitimate right to use the domain name merely by filing it, and that he would be found responsible for trademark infringement.

⁹ (1996)5 SCC 714.

¹⁰ 2002 SCC OnLine Del 104

¹¹ Priya, G. (2012, December 22). An Economic Analysis of Some Court Cases in India. *Economic and Political Weekly*, 47(51), 52–58. <http://www.jstor.com/stable/23391159>

¹² 1999 SCC OnLine Del 133

2) Rediff Communication V. Cyberbooth & Anr¹³

This the case which was filed in the Bombay High Court. In this case the registration of domain name radiff.com was done by the defendant which was similar to that of rediff.com. So, the court took the decision in favour of plaintiff and held that a domain name is like a cooperate asset of the company.

3) Tata Sons Ltd V Monu Kasuru & Others

The defendant registered a large number of domain names with the name Tata, according to the facts of the case. The court determined that a domain name serves as both an address and a representation of a company's trademark, and that both are equally significant.

4) Satya Infoway Ltd V Sifynet Solutions¹⁴

The defendant in this lawsuit registered the domain names www.siffynet.com and www.siffynet.net, which were confusingly identical to the plaintiff's domain name www.sifynet.com. The appellant, Satyam, had a good reputation in the industry and had registered the name Sifynet, as well as a variety of other names, with ICANN and WIPO. The plaintiff initially used the name Sify as a result of their collaboration, and it had a good reputation on the market. The Supreme Court decided in this case that domain names are used to classify a company and differentiate it from others, as well as to determine its online location. The court also held that the action of "passing off" could be taken where the domain name is involved. Therefore the court passed an action in favour of plaintiff.

V. DISPUTE RESOLUTION POLICY

The Top Level Domain (TLD) for India on the internet is.in. While India does not have a UDRP subscription, it has released a mandatory dispute resolution protocol known as the IN Dispute Resolution Policy, which is also recognised globally. With the related provisions of the Indian IT Act, 2000, INDRP has been framed almost identically to UDRP. The INDRP has a clause that allows the registrant and the complainant to settle any disputes arising from the registration and usage of the.in Internet Domain name within themselves. When a case is filed against the Registrant, the INDRP requires the Registrant to submit the arbitration proceeding. After the registry of the complaint the IN registry appoints the arbitrators from the list maintained by the registry. The notice is issued to the Respondent within 3 days soon after the receipt of complain. The arbitration process is conducted by the arbitrator in accordance with the rules and the

¹³ 1999 SCC OnLine Bom 275

¹⁴ (2004) 6 SCC 145

policy provided under the Arbitration & Conciliation Act 1996. Soon after the arbitrator is appointed the parties are informed regarding the same by .IN Registry. The reasoned award is then passed by the arbitrator and copy of same is forwarded to the Complainant, Respondent and the .IN Registry. The award is passed within 60 days from the date of commencement of arbitration process. Only in the exceptional case the extension of 30 days is given. However, the arbitrator has to clearly state the reason for the same. Para 6 of INDRP is taken into the consideration by the arbitrator to determine whether the use of the domain name was in the bad faith or not. The consideration of INDRP is similar to that of UDRP provided under Para 4 (b). The Arbitrator should ensure that copies of the responses, instructions, applications, and records are shared on a daily basis. The protocol notes that no hearings will be held in person until the arbitrator decides to do so at his or her own discretion. The remedies open to a Complaint pursuant before an Arbitrator are the cancellation of the Domain name or the sale of the Registrant Domain name to the plaintiff. The expense of the complaint can also be awarded by the arbitrator. Before the INDRP is completed, the Registrant is prohibited from passing the contested domain name to another user.

VI. GLOBAL POSITION: COMPARISON WITH USA

The United States is the first country which recorded the first statute which dealt comprehensively with Cybersquatting. The Anti-cybersquatting Consumer Protection Act (ACPA) was passed by the Congress in 1999 which allows the trademark owners to file a civil suit against cybersquatters who in order to profit from the marks who register domain names containing trademarks. Under the ACPA, there are two kinds of actions permitted: one under the 'Trademark' provision and the other under the 'in rem' section. When cybersquatters may be found and fall under the jurisdiction of United States courts, the trademark clause of the ACPA can be invoked¹⁵.

To prohibit harassment of any innocent registrants, the ACPA provides them with a shield in good faith and other defences given to plaintiffs under the Federal Trademarks Act of 1946 (also known as the "Lanham Act"). The in rem clause 42 was inserted into the statute to bring to justice all defendants who cannot be named or who are outside the Court's personal jurisdiction. The Court's powers are restricted under the provision in rem to regulating the forfeiture, cancellation, or selling of the domain name to the trade mark owner. Today, cybersquatting has achieved a great deal of popularity, even charge card cheats are more likely

¹⁵ Jaiswal, R. (2019). "The Web of Cybersquatting: Do we need a Law to clean it?". *Pen Acclaims*, 6, July 2019 (ISSN 2581-5504), 3. <https://www.penacclaims.com>

to be less in news but more room names and digital crouching. A redress for post-space trademark invasion could be provided by the Lanham Act, however that remedy acknowledges that the wronged trademark owner will identify and get locale over the culpable user. By amending the ACPA to comply with domain name conflicts, there is a very rational solution offered.

There is no uniform Dispute Resolution Policy for .us domain names due to the absence of any one authority governing the domain name space. For example, the US DRP is used to seek cancellation or redistribution of .US domain names that infringe the trademarks of the claimant, whilst the US NDP guarantees that all registrations to .us domain names provide a near relation to the United States. There is fragmentation in domain name regulation. There is no independent jurisdiction, as in the case of Australia, which has a fast-track method other than arbitration for the resolution of disputes.

Domain name disputes in India are at a high pace, but there is no legislation in India to deal with the cyber-squatting issue, though this activity is punishable under US law. The Section 20 of Code of Civil Procedure is the only legislative framework in India (in the case of a dispute over a domain name). It presents the applicant with two options in this respect:

- (a) To bring a case before a judge within the jurisdiction of which the claimant (or either of them) lives, or;
- (b) To put a case before a judge under whose jurisdiction the cause of action occurs, either wholly or in part.

VII. CONCLUSION

It's 2020, and it's certainly the Internet age. While the Internet has certainly helped companies greatly, cybersquatting and trademark infringement cases have also led to a increase. In soft law instruments such as policies or rules, the most powerful fighting tool is not to be sought¹⁶, the need for the hour is to change current applicable laws to give legislative force to the cybersquatting offence. The US National Arbitration Forum and the Czech Arbitration Tribunal are two examples, and a similar body in India is needed. Since it is actually not mandatory to comply, the INDRP legislations should be put into effect rather than only being a recommendation. Both WIPO Arbitration and Mediation Centre arbitration decisions should be made binding in India, as this will ease the overburdened Indian judicial system. Once a

¹⁶ Friedman, L. A. (2016). Online Use of Third Party Trademarks: Can Your Trademark Be Used without Your Permission? American Bar Association, 4 February, 2016(Business Law Today), 1–4. <https://www.jstor.org/stable/businesslawtoday.2016.02.04>

successful cybersquatting scheme is in operation, India will join the select few countries that have such legislation in place.
