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TRADEMARK INFRINGEMENT AND DOMAIN NAME DISPUTES IN CYBER SPACE: ISSUES AND CHALLENGES

Dr. Mukta Verma

Assistant Professor, Faculty of Law, University of Allahabad, Prayagraj, U.P

ABSTRACT

The exponential growth of the Internet has resulted in a surge in the registration of domain names. The advent of the .com era has not only witnessed an escalation in the number of domain names but has also given rise to an upheaval in this distinctive realm of intellectual property. In response to the challenges posed by the escalating domain name disputes, the Internet Corporation for Assigned Names and Numbers (ICANN) introduced the Uniform Domain Name Dispute Resolution Policy (UDRP). This international dispute resolution mechanism empowers trademark holders to contest the registration of an Internet domain name, subjecting the matter to binding arbitration. Successful challenges under UDRP grant the prevailing party control over the disputed domain name. This paper aims to deal with the issues arising in the realm of trade marks infringement and domain name disputes, the authorities dealing with them and a scrutiny of whether there is an effective grievance redressal system and further gives suggestions to deal with the lacunae.

Keyword:

Domain name, trademark, IPR

INTRODUCTION

Intellectual Property refers to the intangible creations of the human mind. These creations can manifest in various forms, ranging from inventions and literary works to designs, symbols, names, and images used in commerce. These are legal rights that grant creators and inventors control over the use of their intellectual creations, enabling them to reap the rewards of their efforts.

The increasing significance of the Internet in facilitating business transactions has prompted the legal system to adapt traditional legal principles to novel aspects of commerce, with domain name disputes emerging as a prominent example where the courts are tasked with the application of established legal doctrines to address the evolving landscape of online commerce, particularly in the context of domain name conflicts.

MEANING OF TRADE MARKS

“Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.”¹

According to section 2(zb) of Trade Marks Act, 1994,² Trademarks means

- a) trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours; and
- b) In relation to Chapter XII (other than section 107), a registered trade mark or a mark used in relation to goods or services for the purpose of indicating or so as to indicate a connection in the course of trade between the goods or services, as the case may be, and some person having the right as proprietor to use the mark; and
- c) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods or services for the purpose of indicating or so to indicate a connection in the

¹K C Kailasam & Ramu Vedaraman, Law of Trademarks & Geographical Indications, 4th edn Lexis Nexi Publication, New Delhi p.122

² Enforced on 30th December 1999

course of trade between the goods or services, as the case may be, and some person having the right, either as proprietor or by way of permitted user, to use the mark whether with or without any indication of the identity of that person, and includes a certification trade mark or collective mark.

In case of *Trans Tyres India Pvt Ltd v Double Coin Holdings Ltd*,³ it is observed that:

*“The conventional theory that a trademark connects, in the mind of the consumer, the goods to the source of manufacturer are inapplicable in today’s environment because modern global trading has assumed multi-channel modes of sale of goods in the market. Thus, in today’s global environment, the theory pertaining to a trademark would be that a trademark connects, in the mind of the consumer, the source wherefrom the goods enter the market, whatever may be the nomenclature of the source. It could be the agent, the distributor or even a person who purchases goods from a manufacturer and sells them in the market.”*⁴

MEANING OF DOMAIN NAME

A domain name functions as a digital address that enables any Internet user to locate a company or individual. It serves the crucial role of distinguishing and pinpointing different computers, users, files, and accessible resources on the Internet. It serves as the online counterpart to a telephone number or physical address. For example, Harvard University's domain name is www.harvard.edu. To communicate via email with Harvard's Department of Law, one would input law@harvard.edu into an email application, where law denotes the specific email account, @ symbolizes at, and harvard.edu constitutes the domain name. Essentially, this process instructs the software to send an email to the Department of Law within the *harvard.edu* domain.

STRUCTURE AND CLASSIFICATION OF DOMAIN NAMES

Communication between machines over the Internet doesn't involve direct conversations using domain names. Instead, a domain name serves as a substitute for the IP address, akin to a telephone number, even though there is no inherent logical connection between the IP

³ 2012 (49) PTC 209 (Del) (DB)

⁴ *Trans Tyres India Pvt Ltd v. Double Coin Holdings Ltd*, 2012 (49) PTC 209 (Del) (DB)

number and the domain name.⁵ When connecting to the Internet through a server, the server interprets the domain name and correlates it with its corresponding IP address.

The classification of domain names involves hierarchies, with a specific domain name being segmented into a top-level domain (TLD), a second-level domain (SLD), and a subdomain (SD). Taking the example of law.harvard.edu, the general structure of domain names the pattern: www.law.harvard.edu, where www represents the subdomain, law signifies the second-level domain, and harvard.edu denotes the top-level domain.

Top-level domains further categorize into generic and country code TLDs, with the top level identified after the last dot (.) in a domain name. In the case of harvard.edu, the top-level domain is .edu. Notable TLDs include .com (indicating ownership by a commercial entity), .org (for non-profit organizations), .net (pertaining to network and Internet-related entities), .edu (associated with colleges and universities), and .gov (reserved for government entity beyond the generic domain names mentioned earlier, each country has been assigned a top-level domain name corresponding to a two-letter country code according to ISO 3166. For example, .in signifies a domain in India, while .fr denotes a French domains).⁶

Registration of Domain Names

Registration of domain names varies between country code top-level domains and generic top-level domains. Country code domains are typically issued by the respective authorities in each country. On the other hand, generic top-level domains are managed by Registrars accredited by the Internet Corporation for Assigned Names and Numbers (ICANN), a non-profit organization responsible for overseeing IP address space allocation, protocol parameter assignment, domain name system management, and root server system management. It is advisable to opt for shorter, more user-friendly names.⁷

TRADE MARK UNDER THE REALM OF CYBER SPACE

In the *Shredded Wheat Co v Humphrey Cornell Co*⁸ case, product guarantees were recognized, emphasizing the importance of customer satisfaction derived from using items bearing a particular mark.⁹

⁵ Nathenson Ira S, Showdown at the Domain name Corall: Property rights and personal jurisdiction over squatters, poachers and other parasites, University of Pittsburg Law Review, 58, 1997, 911, 918

⁶ Retrieved from <https://docs.manupatra.in/newsline/articles/Upload/54B3830D-2595-4148-80E3-511F55C54A47.pdf> visited on 20 November 2023.

⁷ Retrieved from <http://www.rs.internic.net/reg/domain-name.html> visited on 20 November 2023.

⁸ *Shredded Wheat Co v Humphrey Cornell Co*, 250 Fed. 960, 963.

⁹ N.S. Sreenivasulu, Intellectual Property Law-Dynamic Interfaces, 1st ed Lexis Nexis Publication, New Delhi.

Domain name dispute cases, such as *Polaroid Corporation v Polard Electronic Corporation*¹⁰, have established a test for determining confusion as follows:

- the strength of the plaintiff's mark,
- similarities between the marks,
- product competitiveness,
- the likelihood of the plaintiff entering the defendant's market,
- real confusion,
- the good faith of defendants,
- product quality, and
- consumer confusion.

DISPUTE RELATED TO DOMAIN NAMES

Domain name disputes typically fall into the following categories:

i. Cyber Squatters

The term pertains to individuals who register or acquire a domain name speculatively, primarily with the intention of selling, renting, or transferring the domain to the complainant. The transfer is often sought for a sum exceeding the documented out-of-pocket costs directly related to the domain name registration.

In the case of *British Telecommunications v One in a Million*¹¹, the defendants registered domain names associated with well-known trade names, including *sainsburys.com*, *marksandspencer.com*, and *britishtelecom.com*, despite having no connection to these corporations.¹²

ii. Cyber Parasites

Similar to cyber squatters, cyber parasites aim for financial gain, but their approach involves the active utilization of the acquired domain name. In some instances, an individual might register a renowned name, while in others, a mark closely resembling or commonly misspelled version of a famous name is employed. Disputes may arise between

¹⁰ 368 US 820, 1961

¹¹ [1999] F.S.R. 1

¹² (1915) 32 RPC 273 at 283

direct competitors, those in similar lines of business, or individuals attempting to engage in the 'passing off' of a name's fame.

In the Indian case of *Yahoo! Inc v Akash Arora & Anr*,¹³ the Delhi High Court addressed a similar matter. Yahoo! Inc sought injunctive relief against defendants attempting to use the domain name yahooindia.com for Internet-related services. The defendants argued that there could be no passing off of the plaintiff's services since the Trade and Merchandise Marks Act, 1958, only dealt with goods, not services.¹⁴ Thirdly, the two marks were identical, save for the word, INDIA, and there was every possibility of an Internet user being confused that both domain names came from a common source.¹⁵

In a similar case before the Bombay High Court, *Rediff Communication Limited v Cyberbooth*¹⁶, the plaintiff filed a case of passing off against the defendant, who adopted the domain name radiff.com deceptively similar to the plaintiff's domain name rediff.com. The court ruled in favour of the plaintiff, citing common activities, online presence, and potential confusion for Internet users. The defendant was prohibited from using the domain name radiff.com, as it was deemed an attempt to trade on the plaintiff's reputation.

iii. Cyber Twins

In situations where both the domain name holder and the challenger possess legitimate claims to a domain name, they are labelled as cyber twins. Cases involving cyber twins are particularly challenging because, in the absence of the domain name dispute, trademark and unfair competition laws might typically allow each party to concurrently use the name.

A case exemplifying cyber twins unfolded in *Indian Farmers Fertiliser Cooperation Ltd v International Foodstuffs Co*¹⁷ before the WIPO Arbitration and Mediation Centre. The dispute revolved around the domain name ifco.com, which the defendants had registered and used in good faith. The complainant also held domain names related to ifco.com and had a legitimate interest in the domain name. The complainant alleged that the defendant was diverting internet surfers to its own website. However, the Arbitration Centre dismissed the case, citing both parties' legitimate interest in the domain name and the complainant's failure to prove bad faith on the part of the defendant.

¹³ I.A. No. 10115/1998 in Suit No. 2469/1998

¹⁴ Cardservice International Inc McGee 42 USPQ 2d 1850

¹⁵ Retrieved from <https://docs.manupatra.in/newslines/articles/Upload/54B3830D-2595-4148-80E3-511F55C54A47.pdf> visited on 20 November 2023.

¹⁶ A.I.R. 2000 Bom. 27

¹⁷ (2001) WIPO Case No. D2001-1110 (ifco.com)

iv. Reverse Domain Name Hijacking

In certain instances, a complainant may attempt to broaden the scope of their renowned name, potentially engaging in 'reverse domain name hijacking (RDNH).' RDNH occurs when a trademark holder, in bad faith, seeks to take control of a domain name from another party who is not in violation of trademark laws and holds a legitimate interest in the name.¹⁸

Bad faith, in this context, involves bringing a claim despite having actual knowledge of a legitimate right or recognizing the lack of bad faith on the part of the registrant.¹⁹ Alternatively, bad faith may be inferred when it should have been evident that the complaint had no genuine prospect of success.²⁰

Issues with Domain Names Dispute Resolution

Domain name disputes exhibit several characteristics that render traditional court proceedings unsuitable for their resolution:

1. **Global Nature of the Internet:** The Internet operates on a global scale, and there is no established rule determining jurisdiction.
2. **Multiple ccTLDs for the Same Name:** If the same domain name is registered in multiple country code top-level domains (ccTLDs), a significant volume of court proceedings may be required to address the issue comprehensively.
3. **Urgency of Resolution:** The rapid creation and accessibility of internet sites necessitate swift dispute resolution.
4. **Low Cost of Domain Name Registration:** The relatively low cost associated with registering a domain name, especially in comparison to the potential economic damage

¹⁸ Smart Design LLC v Carolyn Hughes, (2000) WIPO Case No. D2000-0993

¹⁹ Goldline International v Gold Line, (2000) WIPO Case No. D2000-1151; Nestle v Pro Fiducia, (2000) WIPO Case No. D2001-0916; Deutsche Welle v DiamondWare Ltd, (2001) WIPO Case No. D2000-1202 27

²⁰ Smart Design v Hughes, (2000) WIPO Case No. D2000-0993; Sydney Opera House v Trilynx, (2000) WIPO Case No. D2000-1224; GLB Serviços Interativos S A v Ultimate Search Inc (aka Ult. Search Inc) (2002) WIPO Case No. D2002-0189.

it can cause or the expenses involved in litigation, further complicates the resolution landscape.²¹

Domain Name Dispute Resolution in India

Domain Name Disputes can be addressed through various mechanisms, each offering its own set of procedures and legal frameworks. Notably, these mechanisms include arbitral proceedings governed by the Uniform Domain Name Dispute Resolution Policy (UDRP) and .IN Domain Name Dispute Resolution Policy (INDRP), civil remedies through infringement suits before commercial courts, and the option of out-of-court settlements to avoid litigation costs and prolonged disputes.

Arbitral Proceedings under UDRP and INDRP

UDRP (Uniform Domain Name Dispute Resolution Policy): UDRP is a widely recognized mechanism for resolving domain name disputes related to abusive registrations in Generic Top-Level Domains (gTLDs). The UDRP allows the Complainant to choose an arbitrator from a list of providers. The arbitration process is administered by service providers accredited by the Internet Corporation for Assigned Names and Numbers (ICANN), with the WIPO Arbitration and Mediation Centre being one such provider. The UDRP is cost-effective and efficient, focusing on three grounds for complaint:

1. The domain name is identical or confusingly similar to a trademark or service mark in which the Complainant has rights.
2. The domain name owner lacks rights or legitimate interests in the domain name.
3. The domain name has been registered and is being used in bad faith.

While a successful complaint may result in the cancellation or transfer of the domain name, no financial remedies are available.

WIPO Arbitration and Mediation Centre Decisions on Domain Names: WIPO serves as the principal Domain Name Dispute resolution service provider under the UDRP. WIPO offers qualified panellists, thorough administrative procedures, and a credible dispute resolution centre. Cases filed with WIPO are typically concluded within two months with a minimal fee, utilizing online procedures.

²¹ WIPO, The Management of Internet Names and Addresses: Intellectual Property Issues: Final Report of the WIPO Internet Domain Name Process, para. 132(i)-(iv). (1999), retrieved from <http://wipo2.wipo.int/process1/report/finalreport.html> visited on 20 November 2023.

INDRP (.IN Domain Name Dispute Resolution Policy): Adopted by the National Internet Exchange of India (NIXI), INDRP governs disputes related to .IN or .Bharat Domain Names. Initiated under the Arbitration & Conciliation Act, 1996, proceedings can be initiated by any person who believes the registered domain name conflicts with their legitimate rights. Grounds for complaint under INDRP include similarity to a name, trademark, or service mark, lack of legitimate interests, and bad faith registration or use.

Civil Remedies

In the absence of specific legislation addressing Cyber-Squatting or Domain Name Disputes in India, domain names are considered trademarks based on use and brand reputation. Domain name owners can initiate legal actions for passing-off and trademark infringement under the Trade Marks Act, 1999, against infringers.

ICANN Dispute Resolution Policy

ICANN's UDRP, combined with the global reach of the internet, offers a cost-effective and efficient redressal system for international Domain Name Disputes. The UDRP provides a legal framework for resolving disputes related to abusive registrations in Generic Top-Level Domains (gTLDs). Arbitration under UDRP is administered by accredited service providers, with the WIPO Arbitration and Mediation Centre being a prominent entity. The three grounds for complaint include the similarity of the domain name to a trademark, lack of legitimate interests by the domain owner, and bad faith registration and use.²²

SUGGESTIONS

1. **Demand Advanced Payments:** Implement a system that requires advanced payments before the registration of a domain name.
2. **Precise Definitions and Examples:** Provide more precise definitions for terms such as bad faith and legitimate interests within the UDRP. Additionally, offer more detailed examples to guide parties and arbitrators in understanding the application of these terms in different contexts.

²² Retrieved from <https://www.mondaq.com/india/trademark/1080052/domain-name-and-related-disputes> visited on 20 November 2023.

3. **Enhanced Privacy Protections:** Strengthen privacy protections for registrants, particularly in terms of concealing personal information such as names, addresses, and phone numbers.
4. **Clear Jurisdictional Guidelines:** Provide clear guidelines on jurisdictional issues when parties belong to different legal jurisdictions.
5. **Elevate Evidentiary Requirements:** Enhance evidentiary requirements for UDRP proceedings to ensure a more robust and transparent process. Clearly define the standards for evidence and establish a framework for evaluating the strength of arguments presented by both parties.

Incorporating these suggestions into the UDRP framework would contribute to a more equitable, transparent, and efficient resolution of domain name disputes, addressing current challenges.

CONCLUSION

In conclusion, while the Uniform Domain Name Dispute Resolution Policy (UDRP) plays a crucial role in addressing domain name disputes on an international scale, it is not without its flaws. Several shortcomings, including biases in favor of trademark holders, inadequate privacy protection for registrants, the potential for reverse domain name hijacking, jurisdictional conflicts, minimal evidentiary requirements, and challenges in safeguarding free-speech interests, underscore the need for improvements.

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