Cyber Squatting and the Role of Indian Courts: A Review

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Abstract:
The growth of commercial activities on the internet have propelled domain names to emerge as significant business identifiers. At the same time, domain name disputes have also increased. Also, there has been instances of domain name abuse and misuse in the form of cyber-squatting. Despite having no specific law to handle domain name disputes, Indian courts have played a prominent role in resolving the generic top-level domain disputes (gTLDs) under the Trademarks Act, 1999. Indian courts have repeatedly held the domain names as online trademarks and business identifiers. They have applied the grounds of trademark infringement and passing off someone else's goods as one's own to domain names to protect the interest of genuine parties. They have granted injunctions against the cyber-squatters and ordered the transfer of domains to genuine parties. In some cases, they have also imposed monetary penalties against the cyber-squatters and ordered them to pay legal fees to the plaintiffs. However due to the absence of a specific law, the courts have not been not been consistent in imposing fines and giving relief to the plaintiffs. So, a comprehensive law against cyber-squatting and to grant adequate protection to domain names is need of hour in India.

Keywords: Cybersquatting, domain name disputes, gTLDs, Indian courts, typo-squatting

1. Introduction

Every telephone has a unique number. Similarly, every web page on the internet possesses a unique address. In case of need to speak to someone on the telephone, that person's number has to be dialed. In similar way, in case of any need to access a Web site like http://www.facebook.com, one has to type out its Internet Protocol (IP) address like 31.13.86.36. The computers need these IP addresses to access web sites. However, there are numerous websites, so it is difficult to recall them by their IP addresses. So, domain names were invented. Domain Name System (DNS) intends to locate a Web page on the Internet with its name without remembering its IP address. So, a domain name is the linguistic equivalent of IP address (Kalosieh, 2010). Thus, instead of writing a numeric IP address, the concerned person has merely to write the corresponding domain name (like http://www.facebook.com). The overall responsibility for managing the DNS rests with Internet Corporation for Assigned Names and Numbers (ICANN). ICANN is a non-profit organization (Kruger, 2014).

Over the years, there has been a tremendous explosion in the internet users, usage and web sites (Singh, 2017). There were about 1.8 billion websites and 332 million registered domains in January 2018 (Netcraft, 2018). The original purpose of DNS was to provide a mechanism to access web pages by easy to remember names on the Internet. However now-a-days, Internet has not been restricted to a mere means of communication. It has become a critical enabler of e-commerce. The commercial activities carried on the Internet have been increasing.In this e-commerce era, domain names are increasingly used as business identifiers (WIPO, 2010). Domain names have a significant influence on advertising, search engine optimization, online brand building etc.

The tremendous growth of internet has brought new concerns in the field of intellectual property (Dueker, 1996). Domain name disputes present one of those important concerns. There are growing number of cases of domain name "pirates" or "squatters", who hold a domain name for ransom. The domain name disputes filed with World Intellectual Property Organization (WIPO) increased to 3074 cases in 2017 from 3036 cases in 2016 (WIPO, 2017; WIPO, 2018). Also, domain name disputes have landed in courts of law. So, it is necessary to investigate these disputes and mechanisms to resolve them.

2. Types of Domain Names

The domain name system relies on a hierarchical tree like structure. The last part of every domain name is called top-level domain (TLD). TLD consists of the letters that follow the final 'dot' of any domain name. Every domain name ends in its TLD. As an example, in the domain name "www.facebook.com", the TLD is .com. Each TLD includes second-level domains (like "facebook" in "www.facebook.com"). Each second-level domain generally includes third-level domains (like "www" in "www.facebook.com"). Every TLD either belongs to a small list of generic names (three or more characters), or two characters territory code. Broadly domain names are of two types – country code top-level domains (ccTLDs) and generic top-level domains (gTLDs) (Registro IT, 2012).

Each ccTLD is reserved for a particular country. ccTLDs are two characters long, and they follow the norms of ISO 3166-1 standard for country codes (ISO, 2018). For

example, '.au' is used for Australia, '.fr' for France, '.in' for India, '.jp' for Japan, '.gr' for Germany, '.ca' for Canada, '.sa' for Saudi Arabia etc.

A gTLD is another top-level domain. It is deployed by a specific class of organization. Each gTLD is three or more characters long. It is named according to the type of organization represented (for example, .com for commercial businesses, .edu for educational institutions). However, some of the gTLDs have become unrestricted. This means that they no longer symbolize any specific type of organization. Any person can obtain a domain name under unrestricted gTLDs. As an example, .com has become unrestricted. It can be registered and used by anyone even if that entity is not conducting a commercial activity. gTLDs are governed by ICANN. ICANN has put in place a centralized system for managing gTLDs. All terms and conditions for managing gTLDs are defined by ICANN with the cooperation of the gTLD registries. gTLDs could be sponsored top-level domains (sTLDs) or unsponsored top-level domains (uTLDs).

- sTLD is a specialized TLD run by a sponsor, who represents a specific community of users with a common aim. For example, sTLD .aero is sponsored by Société Internationale de Télécommunications Aéronautiques (SITA) (ICANN, 2001). Examples of sTLDs include .coop (for cooperatives), .museum (for museums), .asia (for businesses to promote themselves in asia-pacific region), .cat (for Catalan language/culture), .jobs (for employment-related sites), .mobi (for internet browsing by mobile phones), .tel (for internet communication services), .travel (for airlines,hotels, travel agencies, tourism bureaus) etc.
- uTLD operates according to ICANN procedures as well as policies established by global internet community. Examples of uTLDs include .com, .org (originally for organizations, but now unrestricted), .net (initially for network infrastructures, presently unrestricted), .biz (for business use), .info (for informational sites, however unrestricted), .name (for individuals and families), .pro (for certain professions) etc.

3. Objectives of Study

The objectives of this study are:

- To understand the phenomenon of cybersquatting.
- To investigate the grounds for litigation of domain name disputes in Indian courts.
- To study the major cyber-squatting cases resolved by Indian courts.
- To identify the limitations faced by Indian courts in resolving domain name disputes.

4. Domain Names Disputes – Cybersquatting

Any business entity would like to deploy its own trademark as its domain name. This is because people recognize the trademark of the company. Domain name serves as an online trademark and source identifier. It indicates quality of a company and is a repository of goodwill (Ahmed, 2010). So, the famous global footwear and family accessory manufacturer and retailer Bata would prefer its domain name as www.bata.com. Bata would like to market its products online using this domain name. Even the customers would easily associate www.bata.com to thewell-known company Bata. Two or more trademarks can co-exist in the physical world, but it is not possible in the case of domain names. The domain names are registered based on first-come-first-serve formulae. A person who wants to register a domain name, can approach registrar of domain names and get any available domain name registered (ICANN, 2018). So, if the domain name www.bata.com is available for registration, then any interested party can register this domain. In this e-commerce era, domain names have become analogous to trademarks, but their registration process is much less stringent. There is also another problem in domain name registration. There are numerousTLDs and numerous combinations of TLDs. Under these combinations, domain names could be registered. As an example, Bata could register its domain name as www.bata.com or www.bata.net or www.bataindia.com or www.bataindia.org. Due to numerous combinations, any business entity cannot possibly procure all of them.

The above-mentioned issues lead to abusive registrations. So, another party registers a trademark without having any legitimate interest in it. This practice of registering Internet domain names without having legitimate interests in it is called cybersquatting. In certain cases, cyber-squatter tries to offer the domain to the legitimate trademark holder at an inflated price (Mercer, 2000). Some cyber-squatters put up insulting remarks on the website about the legitimate trademark holder on the registered domain name. The purpose is to coerce them to purchase the domain from them. Some cyber-squatters use domain names to compete with legitimate companies. All of these practices aim to take unfair advantage of someone's trademark (Jain, 2015). Some cyber-squatters also register similar alternatives of a popular and legitimate domain name. This practice is called typo-squatting (Szurdi and Christin, 2017).

5. Dispute Resolution Mechanism in Indian Courts

Cybersquatting can cause potential harm to parties affected as any wrong committed could be easily broadcast to every nook and corner of the world. So, the practice of cybersquatting must be discouraged and stopped. The disputes related to gTLDs can be litigated in front of Indian Courts. However, there is no specific law in India that deals with cybersquatting and domain name protection. The Information Technology Act, 2000 and its amendment version in 2008 does not address domain name issues. In the absence of any specific law in India, the grounds for litigation could be:

- Trademark infringement - If the trademark has been registered under Trademarks Act, 1999; then the affected party can file for trademark infringement in court of law. The registration of the mark gives title to the registered owner.
- Passing off – The legal opinion in India regarding "passing off" has come from N.R. Dongre vs. Whirlpool Corporation case of 1996. The Delhi High court observed that a company cannot sell its goods under the pretense that they are goods of another company (Jatana, 1997). In order to determine "passing off" cases, the court applies "likelihood of confusion" test. If it can be established that the domain name owner is trying to confuse the public by using the name of an established trademark, then court can grant an injunction and evict the cyber-squatter. The "passing off" is essentially an action in tort. The legal opinion in India regarding "passing off" can be equated to "unfair competition by misrepresentation" in USA (Narayanan, 2017).

If a party is successful in obtaining order from a court, then copy of the order could be produced to the registrar of companies. Subsequently, the registrar would transfer the domain name in favor of the successful party.

6. Major Cybersquatting Cases Resolved by Indian Courts

The major court cases in India regarding gTLDs are presented below:

- Yahoo! Inc. vs. Akash Arora & Anr. (1999) - This is one of the earliest and significant cyber-squatting cases in India. In this case, internet search engine Yahoo (plaintiff) filed a case against a cyber-squatter (Akash Arora & Anr.) for using the domain name www.yahooindia.com. The cyber-squatter was pretending to be an extension of Yahoo in India and was offering directory services with information specific to India. The Delhi High Court granted an injunction against the cyber-squatter and held that trademark law applies with equal force on the Internet like the physical world.
- Rediff Communication Ltd. vs. Cyberbooth & Anr. (1999) - In this case, cyber-squatter (Cyberbooth & Anr.) has registered the domain name as www.radiff.com, which was similar to plaintiff's domain name (www.rediff.com). Bombay High Court observed that domain names is a valuable corporate asset, as it facilitates communication with a customer base. The court stated that the similarity in website names can confuse the public, particularly new customers. So, it restrained the cyber-squatter from using the domain name www.radiff.com.
- Tata Sons Ltd. vs. Mr. Manu Kishori & Ors. (2001) - In this case, the cyber-squatter (Mr. Manu Kishori & Ors.) was using the trademark name Tata to register a number of domain names. The court held that such acts dilute the trademark of plaintiff (Tata Sons Ltd.) and restrained the cyber-squatter from doing so. So, the suit was decided in the favor of plantiff. However, there was no order as to costs.
- Acqua Minerals Ltd. vs. Mr. Pramod Borse & Anr. (2001) - In this case, the plaintiff (Acqua Minerals Ltd.) was the registered owner of the trademark "Bisleri" in India. The cyber-squatter Mr. Pramod Borse & Anr registered the website www.bisleri.com in its name. The Delhi High Court held the cyber-squatter guilty of infringement of trademark and allowed the plaintiff to seek the transfer of website in its name.
- Dr. Reddy's Laboratories Ltd. vs. Manu Kosuri & Anr. (2001) - In this case, the plaintiff (Dr. Reddy's Laboratories Ltd.) has been a reputed medical company in India since 1984. It has established its domain name as www.drreddys.com. The cyber-squatter (Manu Kosuri & Anr.) registered a domain name www.drreddyslab.com. The Delhi High Court restrained the cyber-squatter from using the domain name www.drreddyslab, as it contained the trademark of the plaintiff. The court directed the domain name to be transferred to the plaintiff. Also, the court directed the cyber-squatter to pay the legal fees to the plaintiff.
- Satyam Infoway Ltd. vs. Siffynet Solutions Pvt. Ltd. (2004) - This is the first case in Supreme Court of India dealing with legal protection of domain names. Through this case, the Supreme Court has given seal of approval to decisions of carious High Courts regarding legal protection of domain names equal to that of a trademark. In this case, the plaintiff (Satyam Infoway Ltd.) has registered several domain names like sifyrealestate.com, sifynet.com, sifymall.com etc. in June 1999 with ICANN. The word 'Sify' was claimed to have been formed by using elements of corporate name, Satyam Infoway. The cyber-squatter (Siffynet Solutions Pvt. Ltd.) carried out its business under domain names www.siffynet.net and www.siffynet.com from June 2001. The Supreme Court held that domain name is a business identifier in today's internet driven commercial marketplace and may possess all the characteristics of a trademark. Thus, a domain name may pertain to provision of services within Section 2(Z) of the Trademarks Act, 1999. The close visual and phonetic similarity between 'Sify' and 'Siffy' can confuse the users. So, the Court held that cyber-squatter was "passing off" its services in name of plaintiff and restrained the cyber-squatter from doing so. The Supreme Court further stated that "As far as India is concerned, there is no legislation which explicitly refers to dispute resolution in connection with domain names. But although the operation of Trademark Act, 1999 itself is not extra territorial and may not allow for adequate protection of domain names, this does not mean that domain names are not to be legally protected to the extent possible under the laws relating to passing off". However, there was no order as to costs.

- Tata Sons Ltd. and Anr. vs. Fashion Id Ltd. (2005) - In this case, the cyber-squatter (Fashion Id Ltd.) has registered a domain name www.tatainfotecheducation.com. This domain name was misleadingly analogous to the plaintiff's trademark Tata Infotech. The Delhi High Court held that this deception can lead to "passing off". The court cancelled the registration of the domain in the name of the cyber-squatter and transferred it to the plaintiff. The court also directed the cyber-squatter to pay Rs. 100,000 to the plaintiff.
- Mr. Arun Jaitley vs. Network Solutions Pvt. Ltd. (2011) - This was the case of abusive online registration of trademarks in India. The plaintiff (Mr. Arun Jaitley) is a prominent public figure and current Finance Minister of India. In 2011, he was the leader of opposition in Rajya Sabha and was the member of Parliament for last 10 years. The cyber-squatter (Network Solutions Pvt. Ltd.) registered the domain www.arunjaitley.com. The plaintiff tried to buy the domain name from the cyber-squatter, but the cyber-squatter tried to sell at an exorbitant cost. Delhi High court held that the cyber-squatter guilty for this abusive registration of domain name of a prominent public figure and directed the domain name to be transferred to the plaintiff. The court also held that plaintiff is also entitled to legal costs from the cyber-squatter.

7. Conclusions

The Information Technology law of India has not addressed the issue of domain name protection. Despite the handicap of not having a domain name dispute law, Indian courts have played a prominent role to protect the interests of genuine parties. The main findings are as follows:

- Under Trademark Act, 1999; the courts have held domain names as business identifiers and corporate assets in modern commercial cyber-space.
- The courts have protected genuine parties on grounds of trademark infringement and passing off someone else's goods as one's own.
- The courts have restrained cyber-squatters from using domain names when there has been an attempt to confuse the public. They have granted injunctions against the cyber-squatters when there has been phonetic similarity between the domain names of genuine party and cyber-squatters.
- The courts have granted injunctions against the cyber-squatters in case of abusive registrations of domain names.
- The courts have extended the domain name protection to companies as well as individual celebrities.
- The Indian courts have been able to resolve domain name disputes in case of gTLDs.
- Most of the domain name disputes resolved by Indian courts have been of commercial types. This shows that cyber-squatters have been trying to exploit the legal loopholes for financial gains.
- There have been instances where courts have directed the cyber-squatter to cover the legal fees of the plaintiff and also imposed penalty up Rs. 100,000. However, courts have not been consistent on this front. This is probably due to the fact that there is no law to guide the courts in this regard.
- The Supreme Court of India also suggested that the Trademark Act, 1999 may not provide adequate protection to domain names. However, still the courts have done whatever possible to protect the domain names and resolve the domain name disputes.

In order to address the shortcomings faced by the courts to protect the domain names, India needs to draft a new legislation against cyber-squatting and to protect domain names. Such legislation will enable the courts to impose penalties and even jail terms on the cyber-squatters on a consistent basis. This will make it difficult for cyber-squatters to get away and ensure the protection of interests of the genuine parties.

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