

What's in a name? Ask the cyber squatters!



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The rampant growth of the internet has led to an explosive increase in cyber crime, which is bereft of statutory protection in India. Dramatic changes in the way business is done means that domain names have acquired great significance and when abused, they are worth millions of dollars.

Cyber squatting was defined by Delhi High Court in *Manish Vij v Indra Chugh* as "an act of obtaining fraudulent registration with intent to sell the domain name to the lawful owner of the name at a premium." Cyber squatters frequently register domain names containing variations of popular trademarks and attempt to generate revenues using the goodwill of those trademarks. When the legitimate owner of the trademark realizes what has happened, the squatters try to sell the domain name to the registered trademark holder at a premium.

Combating infringement

Proactive pursuit by trademark owners is imperative. To combat cyber squatting, trademark owners can issue "cease-and-desist" letters to infringer, invoking the dispute resolution provisions of Internet Corporation for Assigned Names and Numbers, conduct arbitration under its Uniform Domain Name Dispute Resolution Policy (UDRP) or file a lawsuit.

UDRP's proceedings are online and decisions normally take about six weeks. In order to succeed, a petitioner must establish (a) ownership of a trademark, (b) existence of a domain name that is identical or confusingly similar to the trademark owned, (c) absence of legitimate interest or right in the domain name, and (d) proof that the squatters' registration and use has been conducted in bad faith. This may be substantiated with evidence that the domain was acquired mainly to disrupt

the business of the legitimate owner and to generate money by causing consumer confusion.

The Information Technology Act, 2000, provides legal recognition for electronic commerce and accords stringent punishments to cyber criminals. It does this along with the criminal law provisions enshrined in the Indian Penal Code, 1860, as well as the provisions of the Trade Marks Act of 1999.

In India, ".in" disputes have become increasingly common and the INDRP (.in dispute resolution policy) works like the UDRP proceedings. If a domain name is infringed action can be taken on two grounds – trademark violation and passing off. It is necessary to establish the "likelihood of confusion" test, i.e. to say that a domain name used by a person is likely to cause confusion in the mind of consumers that the domain or the products and services belong to another person. The courts would grant a restraining order against usage and also evict the cyber squatter.

No discussion on cyber squatting in India is complete without reference to *Yahoo Inc v Akash Arora*. In this case Yahoo succeeded in obtaining an interim order restraining the defendant from dealing in services or goods on the internet or otherwise under the domain name yahooindia.com or any other trademarks or domain names that were deceptively similar to its own trademark, Yahoo.

Delhi High Court ruled in favour of Yahoo and rejected the argument that the provisions of the Trade Marks Act did not cover domain trade names or domain names on the internet. The court took the view that although the word "services" may be used in sections 27 and 29 of the Trade Marks Act, services rendered have to be recognized for an action of passing-off. It also held that the two marks or domain names "Yahoo!" and "Yahooindia" belonging to

the plaintiff and the defendant respectively, are almost similar.

The court rejected the defendant's argument that internet users are literate and sophisticated enough to go to the internet site that they intend to visit. The court held that a savvy internet user could be an unsophisticated consumer of information. Individuals intending to visit the plaintiff's internet site may find their way to the defendant's site, which provides very similar information to that of the plaintiff, and get confused. The court observed, "it was an effort to trade on the fame of Yahoo's trademark. A domain name registrant does not obtain any legal right to use that particular domain name simply because he has registered the domain name, he could still be liable for trademark infringement."

In *Satyam Infoway Ltd v Sifynet Solutions*, the Supreme Court, in the plaintiff's favour, said, "domain names are business identifiers, serving to identify and distinguish the business itself or its goods and services and to specify its corresponding online location." The court also observed that domain names have all the characteristics of a trademark and an action of passing-off can be found where domain names are involved.

Going forward, companies should not underestimate how cyber squatting affects their business and goodwill. They need polices in place to ensure that squatters do not go unchecked. Failure to effectively pursue such abuse can, in certain situations, lead to the abandonment of trademark rights. Further, both government and industry need to work in tandem to bring about amendments to intellectual property laws so as to factor in the reality of the internet and its ability to transcend geographical barriers.

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