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Navigating the Intersection: A Comparative Analysis of Domain Name Disputes and Trademarks in Intellectual Property – Insights from India and Beyond

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ABSTRACT

Since the advent of the dot-com boom, there has been a profound surge in internet consumption, leading to a parallel rise in digital marketing. Analogous to traditional marketing, where each product carries distinct goodwill and serves as a means of source identification, the digital landscape has witnessed a translation of this concept onto domain names and websites. Recognizing the imperative role of trademark law in safeguarding this source identification function and preventing free-riding on the established goodwill of products, the authors of this paper advocate for the trade markability of domain names. The underlying premise posits that, in theory, there is no substantive difference between the protection afforded to physical products and their digital counterparts.

Conducting a comparative analysis across various countries, the authors discern a lack of a uniform trend in legislating provisions against cyber-squatting and a dearth of a formalized registration process for domain names beyond the prevailing first-come, first-served principle. This regulatory vacuum creates a conducive environment for cyber squatters to exploit the system by pre-registering domain names and subsequently selling them at inflated prices.

Employing a doctrinal research methodology, the authors offer insightful suggestions for statutory law enhancements and propose alternative dispute resolution mechanisms. These recommendations aim to streamline and fortify the domain name allocation process, fostering fairness and discouraging cybersquatting practices. In essence, the authors seek to bridge the existing gaps in legislation, ensuring a more equitable digital landscape for all stakeholders.

Keywords: *Cybersquatting, Domain name, Trademark, Digital marketing, Alternative dispute resolution.*

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I. INTRODUCTION

In an era of the digital world, where online shopping, e-commerce, and having one's own website are no longer choices but necessities for any business or brand, domain names play a crucial role in defining their online presence. In short, if a brand wants to create an online presence and draw more customers not only in the physical market but also in the online world, they need to have a website with a domain name similar to their brand name or trademark. This is so that the customers don't get confused among thousands of available websites and are simply driven towards the original brand's website. This is where the whole issue of cybersquatting arises.

For a person to answer whether similar IP protection is also granted to Domain names as to Trademarks, there needs to be a clear understanding of the term "cybersquatting". When it comes to domain name registration, the process is quite simple, and there are not many requirements or standards that one has to fulfil. It's simply based on a first-come-first-serve basis. As easy as it makes domain name registration, it also creates difficulties for brands and businesses. This is because a large number of people would then go on to register well-established or already existing brand/business names or trade names as domain names. For example, if a popular brand named colgate starts selling its toothpaste and the product does well in the market, in no time will the domain name www.colgate.in or www.colgate.com will be registered by someone.

Thus, these famous brand names would end up being registered as domain names by someone without any interest in the brand, who would then go on to ask exorbitant fees in exchange for ownership of that domain name. This is because they understand the value that the domain name holds. If these brands don't have domain names similar to their actual brand name or trademark name, then the traffic of customers that was supposed to be directed to their business would eventually spread out or be directed to some other site they don't even own. For e.g. People looking to buy Colgate online would likely type www.colgate.com to check whether the same is available. Now, if that domain name is to be acquired by a totally different person, organisation, or company that has nothing to do with the actual Colgate product, then Colgate will lose that customer, and the customer might not try to find the product any further. Thus, the customer base will get diluted and will not reach its correct destination. Cybersquatting is this method of selling off domain names, which are famous brand names or trade names, in exchange for monetary benefit.

To deal with the issue of cybersquatting, brands and businesses often knock on the doors of the

courts, with their primary argument being that a particular domain name similar to their trademark or tradename should come under the protection of IP Laws.

II. DOMAIN NAMES VS. TRADE MARKS

(A) Domain Name

Oxford Dictionary defines Domain Name as a name that identifies a website or group of websites on the internet. Thus, a Domain Name can be said to be the most important part of an IP address which defines the main essence of a website. There are three types of Domain Names: Top-level domain name, Secondary-level domain name and Third-level domain name. For eg. In *www.google.com*, (.com) is the top-level domain name, (google) is the secondary-level domain name and (www) is the third-level domain name.³

Thus, a domain name is the very representation of that website, and therefore, it becomes vital that the businesses/brands have the same domain name as their brand name/tradename e.g. Adidas has its own domain name as *www.adidas.com*.

The Hon'ble Supreme Court, in the case of **Satyam Infoway Ltd vs Siffynet Solutions Pvt. Ltd. (2004)**, also observed that "*The original role of a domain name was no doubt to provide an address for computers on the internet. But the internet has development from a mere means of communication to a mode of carrying on commercial activity. With the increase of commercial activity on the internet, a domain name is also used as business identifier. Therefore, the domain name not only serves as an address for internet communication but also identifies the specific internet site.*"⁴

Therefore, a Domain name can be said to be the face of any website and the virtual address of that particular brand or business.

(B) Trade Mark

Section 2(zb) of the Trademarks Act, 1999 defines a 'Trademark' as "*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*".⁵

It also defines a 'mark' under **Section 2(m)** as "*a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any*

³ Harman Singh, (2018), Cyber squatting and the Role of Indian Courts: A Review, AJCS, 18-23.

⁴ (2004) 6 SCC 145

⁵ The Trade Marks Act of 1999, § 2(zb).

combination thereof and a 'name' includes any abbreviation of a name.”⁶

Hence, for a mark to be eligible as a Trademark, there are two basic essentials that need to be fulfilled. First is Distinctiveness, and second is Graphical Representation. Only when these two requirements are fulfilled will any ‘mark’ receive the IP protection under the Trademarks Act of 1999.

a. Comparison

There is one commonality between domain names and trademarks, and that is both are source-identifying functions. This means that through a Trademark or a Domain name, a consumer can easily determine the source of any product or service being offered and hence can relate to or recognise & reach the brand or business behind those products or services. But apart from the fact that both help in identifying the source of things, there is a very major difference which sets them apart, which was also discussed in the case of **Satyam Infoway Ltd vs Siffynet Solutions Pvt. Ltd.(2004)** The judge in this case observed that *“The distinction lies in the manner in which the two operate. A trademark is protected by the laws of a country where such trademark may be registered. Consequently, a trade mark may have multiple registration in many countries throughout the world. On the other hand, since the internet allows for access without any geographical limitation, a domain name is potentially accessible irrespective of the geographical location of the consumers. The outcome of this potential for universal connectivity is not only that a domain name would require world wide exclusivity but also that national laws might be inadequate to effectively protect a domain name.”⁷*

Thus, in simple words, Domain names have a global reach and are not linked to national trademark databases. Unlike trademarks, which are registered for specific products or services, domain names lack such limitations. Therefore, Domain name registration does not follow a highly complex procedure, while trademark registration in any jurisdiction is a much more stringent process. A trademark similar to a prior trademark is rarely granted and is usually a matter of dispute if any kind of similarity is to be observed. So, even in India, the process of trademark registration involves going through the registrar, followed by advertising and inviting any opposition, among other steps. Hence, when the issue of Cybersquatting arises, different jurisdictions handle the matter differently.

(C) Can a Domain name obtain comparable protection to that granted to a Trademark? -An Indian perspective

⁶ The Trade Marks Act of 1999, § 2(m).

⁷ (2004) 6 SCC 145

There is no particular law either under the IT act or any other IP-related statutes that deal explicitly with the issue of 'Cybersquatting'. Thus, the whole case really depends on the facts and circumstances of the case and whether a particular party is able to prove in the court that they already have a Trademark registered similar to that specific Domain name and, hence, IP rights under TM Act 1999 should be granted. That can only be done by proving the two main essentials i.e Distinctiveness & Graphical representation. The remedy of Passing off is also available in the case of Domain names. This is because Passing off is a common law remedy. However, there is no set application for Passing off regarding domain name disputes.

Yahoo!Inc v. Akash Arora (1999) was one of the first cases wherein this dispute between similar domain names and trademarks was discussed. Here, the court referred to the case of **Monetary Overseas Vs. Montari Industries**, while dealing with the issue of Passing off wherein it, was held that "*When a defendant does business under a name which is sufficiently close to the name under which the plaintiff is trading, and that name has acquired a reputation and the public at large is likely to be misled that the defendant's business is the business of the plaintiff, or is a branch or department of the plaintiff, the defendant is liable for an action in passing off*"⁸

The court in referred to another case of **In Card service International Inc. Vs. McGee**, where it was held that *the domain name serve same function as the trademark and is not a mere address or like finding number on the Internet and, therefore, it is entitled to equal protection as trademark*. It was further held that *a domain name is more than a mere Internet address for it also identifies the Internet site to those who reach it, much like a person's name identifies a particular person or more relevant to trade mark disputes, a company's name identifies a specific company*.⁹

Thus, taking into consideration the above-mentioned cases and applying the rule of Passing off, the Delhi High Court granted an injunction to the plaintiff and made an observation that "*The degree of the similarity of the marks usually is vitally important and significant in an action for passing off for in such a case there is every possibility and likelihood of confusion and deception being caused. When both the domain names are considered, it is crystal clear that the two names being almost identical or similar in nature, there is every possibility of an Internet user being confused and deceived in believing that both the domain names belong to one common source and connection, although the two belong to two different concerns.*"¹⁰

⁸ 1996 PTC 142

⁹ 42 USPQ 2d 1850

¹⁰ (1999) 19 PTC 201 (Del)

The case of **Tata Sons Ltd. and Anr. vs. Fashion Id Ltd. (2005)** also discussed the issue of passing off in Domain name disputes. In this case, a company called Fashion Id Ltd., which was a cyber-squatter, registered a website with the domain name www.tatainfotecheducation.com. However, this domain name was misleadingly similar to the trademark of another company called Tata Infotech. The Delhi High Court here took away the registration of the domain from the cyber-squatter and gave it to the original company, Tata Infotech and while doing so, added that *“It is thus obvious that principles of passing off would fully apply to an infringement of a domain name. Action would be available to the owner of a distinctive domain name.”*¹¹

However, courts in many cases have also held that a particular domain name cannot receive protection similar to that of a trademark. In a dispute between two domain names i.e shaadi.com and secondshaadi.com. in the case of **People Interactive v. Vivek Pahwa (2016)**, the court observed that *“The real difficulty is that shaadi.com is an address. It is the internet equivalent of a physical or terrestrial address. It directs a user to a particular part of the Web where a domain name registrant stores and displays his information, and offers his services. A physical mailing address can never be a ‘trademark’, properly so-called. “10 Downing Street” or “1600 Pennsylvania Avenue” are not trademarks. A web address is, technically, a mnemonic, an easy-to-recall replacement for a complex string of numbers that represent the actual internet protocol address (or addresses) where the website in question is to be found.”* Thus, the judge while refusing to grant injunction stated that *“I believe, prima facie, that the plaintiff’s mark is generic and commonly descriptive, and it is an address of an internet destination. There is no question of it ‘now’ referring exclusively to the plaintiff’s website; it never pointed to anything else. But that does not make it a trademark.”*¹²

In another recent case of **GoDaddy.com LLC v. Bundl Technologies (P) Ltd.(2023)**, Bombay High Court observed that *“...the Court cannot restrict a domain name registrar from registering certain marks which may lead to trademark infringement in futuro..... The Court held that a suit for trademark infringement is a suit in personam; therefore, in such a suit, directions cannot be issued to restrict third parties, and in each instance of infringement, the proprietor of the mark has to rush to the Court for seeking relief”*¹³

Therefore, in the end, it all comes down to the facts and circumstances of the case and how well a party can represent their domain name or Trademark. There is no direct law as such in

¹¹ 2005 SCC OnLine Del 72

¹² 2016 SCC OnLine Bom 7351

¹³ 2023 SCC OnLine Bom 227

their favour which can immediately grant IP protection to a Domain name or even prevent a Trademark from being registered as a Domain name by someone else beforehand.

III. INTERNATIONAL POSITION

(A) The United Kingdom

The integration of domain names into the conventional definition of trademarks has presented challenges for English courts. The United Kingdom does not yet have any specific legislation pertaining to cybersquatting. Cybersquatting cases are handled in accordance with the Trademark Act of 1994¹⁴ and relevant precedents. In the UK, *British Telecommunications Plc. v. One in a Million Ltd.*¹⁵ was the first cybersquatting lawsuit. Without the legitimate owner of the trade names' permission, the defendants registered a number of domain names that bore striking similarities to already-registered trade names.¹⁶ These domain names were registered with the goal of making money by selling them to the owners of the corresponding trademarks. The defendant had not conducted business using the plaintiff's trademark to sell goods or services through the use of the domain name. Nonetheless, the court granted the plaintiff injunctive relief, reasoning that the defendant's intention was to take advantage of the plaintiff's kindness.¹⁷ It can be argued that in the UK¹⁸, a person has the option of passing off when cyber squatters prevent him from registering a domain name that he is legally entitled to register. 'Being used in the course of trade' does not apply to domain name registrations for the purpose of buying and selling. Therefore, cybersquatting would be handled in accordance with the current trademark regulations.

(B) The United States of America

When the Lanham Act was first implemented, the US courts had comparable challenges in integrating and safeguarding the domain names.¹⁹ According to the Act, a mark must meet certain requirements in order to be registered with the US Patent and Trademark Office.²⁰ Therefore, a domain name needs to be 'distinctive' and able to identify the products and services that the company offers. *Panavision International v. Toeppen*²¹ and *Intermatic v. Toeppen*²² were two of the earliest cases brought against domain name infringement in the United States.

¹⁴ Trademark Act 1994

¹⁵ *British Telecommunications Plc v One in a Million Ltd* [1999] 1 WLR 913

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ Trademark Act 1946

²⁰ *Ibid.*

²¹ *Panavision v Toeppen* 141 F3d 1316 (9th Cir 4/17/98)

²² *Intermatic v Toeppen* 947 F Supp 1227, 40 USPQ

In this case,²³ the court determined that registering a domain name alone does not constitute dilution. Nonetheless, it is seen as a business activity when there is a plan to resell. The court came to the conclusion that *"the significant purpose of a domain name is to identify a business"*.²⁴

The US passed the Anti-Cybersquatting Consumer Protection Act, which outlaws cybersquatting, in response to the rise in trade via online platforms. Cybersquatting was defined by the Act as registering an already-registered trademark as a domain name in order to profit commercially from it. The domain name is not required to be utilized for commercial purposes under ACPC.²⁵ A cybersquatting claim may be made in accordance with this act if someone registers a domain name that is confusingly close to or identical to a trademark. Use of a domain name for commercial purposes can potentially activate the anti-dilution provisions of the Lanham Act²⁶. Additionally, a company can protect its well-known trademark from being diluted by cybersquatters or other unauthorized internet users by using the Federal Trademark Dilution Act of 1995.²⁷

Similarly, In the case of *Uspto vs booking . com*²⁸ wherein the question asked was, *"Does the addition by an online business of a generic top-level domain (".com") to an otherwise generic term create a protectable trademark, notwithstanding the Lanham Act's prohibition on generic terms as trademarks?"* . The SCOTUS held that adding a .Com to any generic name leads it to become a distinct mark as the domain name can't be copied by anyone and only a sole version of it can exist. Though the judgement itself has a lot of issues, primarily being that it will give a free pass to big giants to Trademark a very generic name, and this will lead to a monopoly to that generic name and will be heavily disadvantageous to new startups. Leaving aside criticism to judgment, the ratio of it is to be seen, the ratio being that if a .Com is added to a name it becomes a distinct entity even if the name itself is generic.

(C) The European Union

The European Union Trade Mark (EUTM) provides trademark protection for all member nations of the EU. The EURid domain name registrar and the European Union Intellectual Property Office (EUIPO) are working together to defend applications and owners against cybersquatting and infringement of trademarks and domain names. Before the domain name

²³ Ibid.

²⁴ Ibid.

²⁵ Shreya Goswami & Jhimli Ojha, Protection of Domain Name under Existing Legal Framework, 3 JUS CORPUS L.J. 84 (2022).

²⁶ Trademark Act 1946

²⁷ Federal Trademark Dilution Act 1995

²⁸ United States Patent & Trademark Office, 915 F. 3d 171, 181-82 (4th Cir. 2019)

may be registered as a trademark, it must first meet all trademark standards. It cannot make use of its status as a trademark until it has been registered. A domain name dispute can be resolved by litigation or alternative dispute resolution at the WIPO Arbitration Center or the Czech Arbitration Court (CAC).²⁹

IV. SUGGESTIONS

(A) Arbitration

It is important to note that there are means for arbitration for domain names, but they are only available at an international level and will not be enforceable even if a decree is enacted in favour of the aggrieved party. Leaving aside the point that both the parties might not even consent to come for international arbitration. It is imperative to note that a formal law for the allocation of domain names and background checks for the same is needed, as not doing so allows for cybersquatting. In the cases where a brand with the same name is present and has registered the domain name, a provision for arbitration needs to be present in the current law of trademark. Arbitration is not only a faster way to resolve issues, but it is also cost-effective and more solution-oriented.

(B) Change in statutory law

The Trademarks Act needs to have a provision against cyber squaring similar to that of the United States. This makes prosecuting the crime and identifying the issue much easier as opposed to going through common law remedies, which India currently follows. It also helps in identifying the gravity of the crime as the punishment will itself be defined under the statute and not in the common law. It also helps the judiciary make fast and reliable decisions, ensuring there is no confusion between the courts, hence bringing uniformity in decisions.

(C) The need for statutory regulation to regulate domain name allocation

As has been mentioned before, domain names are granted on a first-come-first-serve basis without any background check as to who is buying it or even if there is a domain name similar to it already existing. This is the leading cause of cybersquatting cases. There can be cases wherein a well-known brand may not have an online presence, and its domain name is bought by a 3rd party who sells the same product; this leads to dilution of the product. A similar thing happened in the *Arun Jathely case*³⁰ and in the case of *Yahoo*³¹. Further, there are scenarios

²⁹ Shreya Goswami & Jhimli Ojha, Protection of Domain Name under Existing Legal Framework, 3 JUS CORPUS L.J. 84 (2022).

²⁹ Trademark Act 1946

³⁰ Arun Jaitley v. Network Solutions Private Limited and Ors. (2011)

³¹ Yahoo! Inc. vs. Akash Arora & Anr. 1999 IAD Delhi 229

where there can be a slight change in the domain name, and that is bought out again, leading to dilution or cybersquatting, as similar to the Google case.³² Hence, to avoid all these scenarios, there needs to be a regulation similar to that used when a trademark is being allocated. In today's day and age, when most of the business is happening over the internet, the reliance on domain names is increasing; hence, there needs to be some sort of regulation over the allotment of domain names as it is unjust to businesses which are already established but were not fast enough to buy a domain name.

V. CONCLUSION

It is essential to delve into the origins of trademark laws, understanding that their inception primarily aimed at three pivotal functions. First and foremost, trademarks were introduced to serve as a source identifier for products. Secondly, they sought to safeguard the established goodwill associated with a brand. Lastly, the intent was to uphold the quality standards of products offered by a particular brand. Examining these objectives underscores the parallel function that domain names fulfil. At their core, both trademarks and domain names serve analogous purposes. Consequently, there is a compelling argument for affording domain names the same level of protection as trademarks, subjecting them to comparable scrutiny during allocation. Neglecting this alignment may result in misrepresentation and leave room for potential cybersquatting.

Considering the challenges inherent in domain name issues, it becomes apparent that existing laws require amendment. A critical addition would be the incorporation of a local arbitration clause that is not only enforceable but also aligned with the fundamental principles of arbitration. Furthermore, there is a pressing need for the criminalization of cybersquatting to effectively regulate the offence, transcending reliance solely on common law remedies. By establishing cybersquatting as a criminal offence, the aggrieved party is relieved of the burden of proving ancillary elements such as damages, prior usage, and similarity of the contested mark. Hence, the imperative classification of cybersquatting as an offence is evident, streamlining legal processes and fortifying the position of those wronged by such practices.

³² DAVID ELLIOTT V. GOOGLE INC., No. 15-15809 (9th Cir. 2017)