DOMAIN NAMES AND CYBERSQUATTING IN IP LAWS

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ABSTRACT

The developments in the field of Information and technology have brought a new platform for traders and businesses. Information technology has rapidly increased their presence in the online markets to attract consumers with the help of the trademark. Therefore, trademarks play a very important role and it is crucial to protect the trademarks. The domain names and Cybersquatting’s are also a part of the trademark and they need protection too. The domain names represent the purpose of trademarks for online trade and businesses. The registration of domain names is granted on a first come – first serve basis. So this becomes a loophole this leads to reserving of the trade names, company names etc., with a view of ill-will to the genuine buyers which is called Cybersquatting. The protection of which is not given by the Indian Trademark law. It can be only protected by passing off. And the consequences to which will be further explained in this paper.

Keywords: Cybersquatting, Domain names, Intellectual property, Trademarks

INTRODUCTION

Trademarks\(^1\) are the marks which help in distinguishing one person from those of others and which are capable of being represented graphically. They are actually the marks of the goodwill which the owner possesses. Trademarks help the common public to distinguish different goods and services of the same classification. Therefore, it can be said that the trademarks act as communicators. Trademark allows the traders to allow diverse type of products and services. Trademark also needs to be of distinctive character\(^2\) to make it easy for the general public to recognize the difference between the goods. Also, a trademark, like any other sign has to signify something else rather than itself in order to function as a trademark.\(^3\) Trademark also signifies that all goods bearing a particular trademark come from a single course and also on an equal level of quality\(^4\) and it also acts as prime instrument in advertising and selling goods.\(^5\)

The rapid growths of businesses do want to have presence technically, which can be done by creating websites and getting domain names. The websites can be launched after registering the name of the website which are called domain names which the traders generally keep the domain.

\(^1\) As defined in section 2(zb) of trademark act 1999
\(^2\) As per section 9 of Trademark act’1999
\(^3\) Spyros M. Maniatis, “Trade Mark Law and Domain Name: Back to Basics”, EIPR 2002,24(8), 397-408
\(^4\) Dr. V.K. Ahuja, Law Relating to Intellectual property Rights, 2\(^{nd}\) edition, p.278.
name same as of their company or business.\textsuperscript{6} Domain names are easy to remember and are often coined to reflect the trademark of an organization. Cyber Squatting has come to be with an association with the registration of domain names without the bonafide intension or without the intension of using them, in the names of popular brands only for the purpose of making money. It is where a domain name is registered, sold or used with the intent of profiting from the goodwill from someone else’s trademark.\textsuperscript{7} The remedy for it is not explained in Indian Trademark Law, so the only remedies available to it are cancellation of offending domain name or transfer of domain names to the other party.\textsuperscript{8} Accordingly, the world is in process of searching for a better solution to address the issues of domain names and Cybersquatting.

FUNDAMENTALS OF DOMAINS

Internet Protocol (IP) addresses which is a chain of numbers and which are separated by periods is used to identify the Internet Websites to which a domain name provides a corresponding address\textsuperscript{9}. For example, www.icann.org is ICANN’s website. Domain names serve the purpose of identifying the goods and the services like promotion of business and building up of customer base online, advertising on the web, establishment of credibility. There is no international treaty regulating the domain names like the other domains of Intellectual property Rights. The Domain Name system, with its flexibility, was developed to deal with the issues related to the ARPANET name and addressing system.\textsuperscript{10} If someone wants to send a letter to someone physically, and for that the house address needs to be distinctive, similarly, there needs to be a distinctive address for for Internet as well, which are dealt through IP protocol.\textsuperscript{11} In order to send and receive information on a proper address, there needs to be 2 addresses, one of receiver and other of sender. In \textit{Sataym Infoway v. Siffynet Solutions},\textsuperscript{12} the appellant registered several domain names likes www.sifynt.com, www.sifymall.com, etc in June 1999 through WIPO and ICANN, based on the word “Sify”, devised using elements of its corporate name, satyam Infoway, which by that time had earned a wide amount of goodwill and reputation. Whereas, the respondent had registered www.siffynet.net and www.siffynet.com with ICANN in 2001 and 2002 as it

\textsuperscript{6} Dr. sreenivasulu N.S., Intellectual Property Rights, Regal Publications, New Delhi, 2\textsuperscript{nd} revised, 2011.p.152.
\textsuperscript{7} Christopher Varas, Sealing the cracks: A Proposal to Update the Anti-Cybersquatting Regime to Combat Advertising-based Cybersquatting, 3 J. of Intellectual Property Law 246, 246-261(2008).
\textsuperscript{8} Paragraph 4(i) of the UDRP rules
\textsuperscript{10} Adam Dunn, “The Relationship between Domain Names and Trademark Law”, Central European University.
\textsuperscript{12} AIR 2004 SC 3540
carried on business of Internet Marketing. On denying to the respondent’s demand to the appellant or transferring the domain name, the city civil court granted an injunction against the respondent on the ground that the appellant was sing the trade name “sify” which had built up a strong goodwill and reputation.

On appeal to the High Court, it held that the balance of convenience between both parties should be considered and the respondent had invested huge sum of money in business. According to High Court, customers would not be misled or confused between 2 parties as the businesses were different and the services were also different. It also held that there was an overlap or identical or similar services by both parties and confusion was likely, unlike claimed by the defendant. As for the balance of convenience issue, the court was convinced of the appellant’s evidence of being the prior user and having a reputation with the public with regard to “sify”. The respondent would not suffer much loss and could carry on its business under a different name.

The Supreme Court ignored the finding’s of the High Court, saying this would be important only if the case was one where the right to use as a co-equal to both parties. The respondent’s adoption of the appellant’s trade name was dishonest and so the High Court’s decision was set aside while that of the Civil Court was affirmed.13

In The Hon’ble Supreme Court explained the importance of domain names as “The original role of a domain name was no doubt to provide an address for computers on the Internet. But the internet has developed 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 a business identifier. Therefore, the domain name not only serves as an address for internet communication, but also identifies the specific internet site. In the field of commercialization, each domain name owner provides information/services which are associated with such domain name. Thus, a domain name may pertain to the provision of services within the meaning of section 2(z). A domain name is easy to remember and use, and is chosen as an instrument of commercial enterprise, not only because it facilitates the ability of consumers to navigate the Internet to find websites they are looking for, but also at the same time, serves to identify and distinguish the business itself, or its goods or services, and to specify a corresponding online Internet location. Consequently a domain name as an address must, of necessity, be peculiar and unique and where a domain name is used in connection with a business, the value of maintaining an exclusive identity becomes critical.”14

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14 AIR 2000 Bombay 27
corporate asset. A domain name is more than an internet address and is entitled to protection as a trademark”.

One of the 2 addresses is an IP address and the other one is the one assigned to each host computer connected to Internet, which is a human – readable name and known as a domain name. The main purpose of the Domain Name System is to link domain names to IP addresses to make internet more of user friendly. For example, http://www.amity.edu/ is easier to remember than 55.66.187.102. The IP number and the equivalent linked name of the domain both identify each website; as no 2 organizations can have exactly the same domain name.

The Domain Name System (DNS) helps people to search websites on the Internet. Just like each house has a different address and no address can be same, similarly each and every computer has a unique IP address or even like the telephone numbers which is a string of different numbers, which can be explained as similar to what is called an IP (Internet Protocol) address.

A typical domain name consists of several segments. Examining the domain name www.amity.edu; the letters “www.” Describe the location of a website on the World Wide Web and the “amity.edu” or the URL are known as its top-level domain. The well-known top-level domain names include .com, .org, .edu, .Gov. which indicates a business site, non-profit and charity, educational purpose, or a governmental website respectively. There are other top-level domains like .US for United States of America or .au for Australia etc. There are 2 type of Top level domains: First is Generic Top Level Domain – gTLDs which include .com, .edu, .int, .mil, .gov, .net, .org, .biz, .info, .name, .pro etc. Second is Country Code Top Level Domain – CCTLD which includes .uk for United Kingdom, .de for Germany etc. which correspond to a country, territory etc. A domain name acquires the features of a trademark or a trade name, as it is a means of individualization of a business entity. Existing companies having a value of trademark tries its best to transpose itself and get its trademark extended to internet zones. It also happens that the value of trademark is grown on the internet from starting. A survey in United States and United Kingdom shows that there is rapid increase in domain name infringement is the major cause of online abuse.

CYBERSQUATTING

There are always a large number of registrations of domain names on “First come-first serve basis” and is easy to get and is also considered as cheap. Through

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16 The IP number is of the Amity University website
17 Caroline Wilson, “Internationalized Domain Name Problem and Opportunities” C.T.L.R. 2004,10(7), 174-181
this people who are not the real owners of the trademark register many well-known trade names, company names, etc. with a view of bad faith and trafficking. The practice of procuring the registration of the domain name, with the intension to sell the name to the real owner is called “Cybersquatting”. After that, the cyber squatters sell these names to other non-related entities which enable dilution of the well-known trademarks. They pose a threat to the companies who have trademarked. In case of Yahoo Inc. V/s Akash Arora the plaintiff was a registered owner of the domain name “yahoo.com”, succeeded in obtaining an interim order restraining the defendants and agents from dealing in goods and services on therise also under the domain name “yahooindia.com”or any other name which is deceptively similar to that of plaintiff’s trademark “yahoo”. Till now NSI (Network Solutions, Inc.) distributed all, of the domain names to the registrants purely on a first come-first serve basis as it only checked for the uniqueness, many individuals were able to claim domain names those of the famous trademarks with the bad faith of reselling the domain names to the original owners and receive a good amount of royalty. Competitors also register the domain name of their competitor’s trademark in order to sell their own goods in the name of their competitors. This also constitutes to be an infringement.

On the other hand, there also exist come concurrent and innocent registrants, who register trade mark as domain names for some unrelated interest and not to harm the trademark owner. These types of people are not liable as Cybersquatters. There are 3 largest organizations which that are present for the victims of cybersquatting and explains ways to protect your business against cyber squatters. These organizations are WIPO- World Intellectual Property Organizations, ICANN- Internet Corporation for Assigned Names and Numbers, and ACPA – Anti-cybersquatting consumer protection act’1999.

The WIPO is “the leading institution in the resolution of Internet domain name disputes.” The WIPO has formed an arbitration and mediation center to give alternative resolution options to the private parties. It deals in both contractual and non-contractual disputed matters.

The ACPA’1999 makes the cyber squatters liable to court’s action if brought under a claim. The act provides many provisions for the protection, but to file a claim, the trademark holder must determine that firstly, the mark of the trademark owner is distinctive,
secondly, the domain name and trademark are either identical or has a confusing nature, lastly, the domain name owner acted in a bad faith. The ICANN’s policies require that trademark based disputes be resolved by agreement, court action. If the dispute arises from an abusive registration, then the proceedings can be expedited. The trademark holder must file a complaint in the actual jurisdiction against the domain holder name.

UNIFORM DISPUTE RESOLUTION POLICY (UDRP)

ICANN (through UDRP) offers expedited dispute resolution proceedings for holders of trademarks to contest abusive registrations of domain names.

Elements to prove under UDRP

- Domain name is identical or confusingly similar to trademark or service mark in which the complainant has rights;
- Have no rights or legitimate interests in respect of the domain name; and
- Domain name has been registered and is being used in bad faith.

The following circumstances will be considered as bad faith:

- If done for valuable consideration by the trademark owner;
- In order to prevent trademark owners from reflecting the mark in a corresponding domain name;
- Registered for the purpose of disrupting the business competitor; or
- Purposefully creating a likelihood of confusion.

UDRP procedure:

The burden of proof is on complainant who actually needs to prove all 3 elements. The elements would be proved if the complainant establishes that the evidences were more likely than not. With respect to 2nd rule UDRP requires that complainant need to prove that he has no legal interest or right over that domain name.

UDRP Defenses:

- Before any notice to the defendant of dispute, his use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or
- The person have been commonly known by the domain name, even if he have acquired no trademark or service mark right; or
- He is making a legitimate non-commercial for fair use of the domain

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24 Available at https://www.icann.org/(Available at 29th October’ 17)
name, without intent for commercial gain to mislead consumers.\textsuperscript{26}

TRADEMARK AND CYBERSQUATTING LAWS IN INDIA, UK AND US

Trademark and Cybersquatting laws in INDIA

Trademark laws in India are formulated by the Trademark act’1999. And as far as domain name dispute resolution, there is no legislation which explicitly refers to dispute resolution. But since, trade Marks Act’1999 itself is not territorial, so, it may not allow for adequate protection of domain names, however, this does not mean that domain names are not to be legally protected to the las relating to passing off.\textsuperscript{27} The information Technology act’ 2000 of India along with 2008 IT Amendment act addresses many cybercrimes and has also set up cyber crime cell. However, the act ignores the problem of domain name disputes and cyber squatting. In case of, cyber squatting domain names may be considered as trademarks based on use and brand reputation, so they fall under the Trade Marks act 1999. Other than that, According to section 13 of the Indian trademarks act’ 1999, legal remedies for the suit of infringement includes Injunction, Damage or Accounts of profit or delivery up of infringement of goods or destruction of infringing goods. Section 103 imposes penalty for applying false trademarks and Section 104 imposes penalty for selling goods or services bearing a false trademark, which is punishable with imprisonment for a term not less than 6 months which may extend to 3 years along with fine not less than Rs. 50,000 which may be extended to Rs. 2 lakh. The copyright Act’ 1957, is also invoked at times and raids conducted. However, still, domain name offences are still struggling for legislative clarity.\textsuperscript{28} The common law remedy of passing off is available to the owner of the trademark but in case his mark is registered, he can file an action for infringement of trademark.\textsuperscript{29}

Trademark and Cybersquatting laws in UK

There were demands of the legal protection of trademarks as plaintiff’s demanded injunction.\textsuperscript{30} Therefore, a more updated approach was needed, thus, in 1875, The United Kingdom introduced Trademarks Registration act.\textsuperscript{31} The act of 1875 became the ancestor of Trademark act’ 1934 and of 1994. Since, UK is a part of the European Union and the scope of 1994 act was expanded to fall within European Union Directive.

\textsuperscript{26}Available at http://www.icann.org/en/help/dndr/udrp/policy paragraph4 (a)(ii)(accessed on 16th december 2017)


\textsuperscript{29}Setion 27 of the Trade marks act’ 1999

\textsuperscript{30}W. William Rodolph Cornish & David Llewelyn, Intellectual Property 607 (Sweet & Maxwell 2007)

\textsuperscript{31}W. William Rodolph Cornish & David Llewelyn, Intellectual Property 608 (Sweet & Maxwell 2007)
The Trade Mark Act of 1994 defines “Trademark” as:
“Any Sign capable of being represented graphically which is capable of distinguishing good or services of one undertaking from those of other undertaking. A Trademark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

The elements which are necessary for trademark infringement actions according to trademark act are:

- A person is infringing a trademark if he is using a sign which is identical with the trademark in relation to goods or services which are identical with those for which it is registered in the use in the course of trade.
- A sign is identical with the trademark and is used in relation to goods or services similar to those for which the trademark is registered; or
- The sign is similar to the trademark and is used in relation to goods and services identical with or similar to those for which the trademark is registered,
- There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trademark.

Since, the phrase “use in the course of trade” is an essential part of the section, Trademarks act provides a non-exhaustive list of instances for it such as:

- Affixing the sign to goods or its packaging;
- Offering or exposing goods for sale, putting them on the market, or stocking them for those purposes under the sign, or offering or supplying services under the sign;
- Importing or exporting goods under the sign;
- Using the sign on business paper or in advertising.

Defenses for the Infringement as provided by Trademark act '1994 are:

- Use of the registered trademark is not infringed by the use of the another UK registered trademark in relation to the goods or services for which the another one is registered.
- Use of Person’s own name or address with honest practices.
- Suggestions concerning the kind, quantity, intended purpose, quality or other Characteristics.
- Use of an earlier right in a locality.

English courts too had struggled to get into the concept of the domain name infringement into traditional trademark laws as in like does registering the domain name

32 Trademarks act 1994 (UK) s 1(1)
33 Trademarks act 1994 (UK) s 10(1)
34 Trademarks act 1994 (UK) s 10(2)
35 Trademarks act 1994 (UK) s 10(4)
that is a registered trademark of another constitute the “use in the course of trade”.

**United Kingdom Cybersquatting laws:**
The UK has not enacted a law for Cybersquatting. They were only dealing with the cybersquatting cases through the trademark act of 1994 and through precedents. It approached dealing with the Cybersquatting was introduced through the English Case on Cybersquatting is *British Telecommunications PLC Vs. One in a million Ltd.* The defendants registered the following domain names: Ladbrokes.com, Sainsbury.com, Sainsburys.com, marksandspencer.com, cellnet.net, bt.org, virgin.org, marksandspencer.co.uk, britishtelecom.co.uk, britishtelecom.com, and britishtelecom.net. The court then came to know that there was no central authority for the Internet and therefore, it struggled for how to decide the case dealing with Cybersquatting within the trademark law framework. However, the issue was the defendants had not used the domain names in the course of trade in connect with goods or services but had registered it. Then, the courts conducted a ‘passing off’ trade mark infringement analysis under 10(3) stating: “The appellants seek to sell the domain names which confusingly similar to registered marks. The domain names indicate origin. That is the purpose for while they were registered. Further, they will be used in relation to the services provided by the registrant who trades in domain names”.

The Court also stated that there would be only one possible reason to why would a person register a domain name, who is not linked to the specific domain name, and that would be to pass himself off as part of that group or his products of as theirs. Consequently, it can be seen that in UK, if it is proved that one is registering domain names just for the purpose of restraining the true owners, i.e. the cybersquatters practicing cybersquatting, a remedy under ‘passing off’ is available. The court would not entertain any argument that says registering a domain name and parking it for the purpose to be used in the course of trade for buying and selling. Registering a domain name and then parking it would not seem to be used in the course of trade as one is selling or buying. Therefore, the cybersquatting would be squeezed into traditional trademark laws. Therefore, this is how cybersquatting laws are dealt with.

**UDRP in UK**
The remedies available in UK are Trademarks act 1994, and the precedents. But, one may also file the claim through UDRP. UDRP is less expensive and saves time. Litigating through the national courts provides more remedy, but are more expensive and time consuming.

**Trademark and cybersquatting laws in US**
US trademark law is separated under a dual system of states ad federal protection. A registered trademark offers greater protection for its holder. The need for trademark law was recognized and therefore, the act of 1870 was introduced as the first federal trademark law. However, the law was held unconstitutional. And then, it further took another 76 years for a comprehensive, constitutional federal

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38 1998 FSR 265
trademark law could be enacted. In the year 1946, Lanham Act was enacted to specifically deal with the trademark laws. The Lanham Act defines the trademark as:

“A trademark is any word, name, design or symbol, or any combination thereof, used in commerce to identify and distinguish the goods of one manufacturer or seller from those of another and to indicate the source of the goods." 39

Elements for a trademark Infringement under the Lanham Act are:

- A protectable interest is a valid trademark.
- The defendant’s use of that mark in commerce; and
- The likelihood of consumer confusion.

This is a 3 step analysis, to ascertain whether a trademark infringement has occurred.

Other factors considered by the US courts are:

- Similarity of Marks
- Competitive proximity
- Strength of plaintiff’s mark
- Consumer sophistication
- Actual confusion; and
- Defendant’s good faith. 41

Here, also the courts had problems initially with domain names and whether the use of them was a trademark infringement issue, and the reason behind this was because domain name is actually an address and the trademark law was not developed to give protection and remedies to addresses.

Defenses to a trademark Infringement as per Lanham act are:

- Valid License
- Statute of Limitation
- Laches
- Unclean hands
- Fair use
- First sale doctrine 42
- Others

US found a need to enact a law to deal with Cybersquatting due to increasing importance of Trade through Internet and therefore, protection of domain names were needed. ACPA defined Cybersquatting as the registration or use of a trademark as a domain name in bad faith with an intention to profit from mark 43.

Elements of Cyber Squatting Claims:

The ACPA (Anti – Cyber Squatting consumer protection act 1999) gives the right to the trademark owner to sue the one who registers a mark in bad faith with the intent to profit when a domain name is:

- Identical or confusingly similar to a mark that was distinctive at the time the defendant’s domain name was registered; or

39 United States Lanham Act’1840
43 15 U.S.C 1125(d)
• Identical or confusingly similar to, or dilutive of, a mark that was famous at the time the defendant’s domain name was registered.44

But in order to prove a claim under ACPA, an owner must prove:
• It has a valid trademark entitled to protection;
• Its mark is distinctive or famous;
• The defendant’s domain is identical or confusingly similar, or in the case of famous marks, dilutive of, the owner’s mark; and
• The defendants used, registered, or trafficked in the domain name;
• With a bad faith intent to profit.45

The phrase ‘Confusingly similar’ of the act is analyzed differently from the phrase ‘likelihood of confusion’ trademark analysis.46 To examine the phrase ‘bad faith intent to profit’, the ACPA offers the following factors to be considered:
• “The trade mark or any other Intellectual property rights of a person, if any in the domain name;
• The extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that persons;
• The person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
• The person’s bona fide non-commercial or fair use of the mark in a sit accessible under the domain name;
• The person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;
• The person’s offer the transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person’s prior conduct indicating a pattern of such conduct;
• The person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct;
• The person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous

44Mary LaFrance, Understanding Trademark law 6 (Lexis nexis 2009)
45Mary LaFrance, Understanding Trademark law 6 (Lexis nexis 2009)
46Mary LaFrance, Understanding Trademark law 6 (Lexis nexis 2009)
marks of others that are famous at the time of registration of such domain names, without regards to the goods or services of the parties; and

- The extent to which the mark incorporated in the person’s domain name registration is or is not distinctive and famous within the subsection (c)(1) of the section.47

**Defenses to a Cybersquatting Claim:**
The act states that the bad faith shall not be found in,

‘Any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful’

The courts were still confused with how to treat domain cases. It was because of the duty to protect right to free trade and freedom of expression, while also needing to protect the rights of trademark owners.

**UDRP in US:**
In US, one can file claim through the UDRP process or through the state or federal system. Under the UDRP process, one is limited to the remedy of cancellation or transfer of the offending domain name. However, US court system offers more remedies that UDRP such as injunction and monetary damages in addition to UDRP.

**CONCLUSION**

47 United States Lanham Act’1840
48 United States Lanham Act’1840

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