

DOMAIN NAME DISPUTE RESOLUTION IN INDIA

With the advance of e-commerce in India, disputes relating to domain names are on the rise. Persons aggrieved by the wrongful use of their domain names have the following two options to settle their dispute.

1. They may resort to the Uniform Domain Name Dispute Resolution Policy (“UDRP”), framed by the Internet Corporation for Assigned Names and Numbers (“ICANN”); or
2. they may file a suit in a civil court of competent jurisdiction, seeking a permanent injunction against the wrongful user of the domain name.

Dispute resolution through the UDRP

The UDRP sets out the guidelines for the resolution of disputes relating to generic top level domain names (“gTLDs”) such as <.com>, <.net>, and <.org>. Under the UDRP, domain name disputes may be resolved by filing a complaint with any of the accredited Service Providers such as the World Intellectual Property Organization Arbitration and Mediation Center (“WIPO”), the National Arbitration Forum, e-Resolution and the CPR Institute for Dispute Resolution.

A complainant seeking the transfer or cancellation of a domain name under the UDRP must establish that each of the following factors exists:

1. the domain name is identical or deceptively similar to a trade mark in which the complainant has rights;
2. the domain name holder has no rights or legitimate interests in respect of the domain name; and
3. the domain name has been registered and is being used in bad faith.

Since the UDRP is an efficient and cost-effective means of resolving disputes relating to wrongful registration of domain names in the gTLDs, a growing number of Indian companies have chosen to settle their domain name disputes through the UDRP.

The panelists of any recognized Service Provider to which a complaint is made check whether the registration or acquisition of the domain name in question is for the purpose of selling the same to the complainant, who is the actual owner of the trade or service mark, or to a competitor of that complainant. In such a scenario, the Panelists will hold that the domain name was registered or acquired in bad faith. For example, in Maruti Udyog v. Maruti Infotech (<http://arbiter.wipo.int/domain/decisions/2000-0520.html>), a complaint was filed with WIPO over a dispute relating to the domain name <maruti.org>. Maruti Udyog, a well known car manufacturer, proved that the trade mark “Maruti” was associated with its products and that a person of average intelligence and imperfect recollection would be led to believe that the domain name was associated with them. Moreover, the respondent sought to sell the domain name to the complainant for valuable consideration. The WIPO panelists, therefore, held that there was a clear intent on the part of the respondent to make unmerited profit from the registration of the domain name and transferred the name <maruti.org> to Maruti Udyog.

Panelists of Service Providers will also rule that the registration of the domain name is in bad faith, if it is done to prevent the owner of a trade or service mark from reflecting the mark in a corresponding domain name.

Non-activation of the disputed mark is also an indication of the *mala fides* of the respondent. In a recent case, Tata Sons v. The Advanced Information Technology Association (“AITA”) (<http://arbiter.wipo.int/domain/decisions/2000-0049.html>), Tata Sons filed a complaint against AITA with WIPO for the illegal registration of the domain name <tata.org>. The WIPO panelists held that “Tata” was a well known name, linked to high quality products. The name “Tata” was a family name and had no dictionary meaning. Further, both AITA and Tata were based in the same city and AITA was bound to know of Tata’s reputation. Further, AITA had not activated the disputed domain name which indicated that AITA was merely hoarding the domain name. In this case the WIPO panelists held that even if the web-site were activated, the facts would lead them to believe that the registration was in bad faith. The domain name <tata.org> was, therefore, transferred by ICANN to Tata Sons based on the award granted by WIPO in favour of Tata Sons.

Another dispute where passive holding of a domain name indicated that its registration was in bad faith occurred in the case of Hero Honda Motors v. Rao Tella (<http://arbiter.wipo.int/domains/decisions/html/d2000-0365.html>), in relation

to the domain name <herohonda.com.> The complaint was filed with the WIPO by Hero Honda Motors, Honda's joint venture company in India against Rao Tella, a person based in the United States of America, who had registered the domain name for a website dedicated to fans of Honda. However, Mr. Tella had not activated the website. The WIPO panelists held that the domain name was identical to the trade mark of the complainant, and the domain name <herohonda.com> was transferred to Hero Honda Motors.

Issues that panelists of the accredited Service Providers consider:

- 1. Did the respondent register the domain name in order to sell the same to the owner of the trade mark or his competitor?**
- 2. Did the respondent register the domain name to prevent the owner of the trade mark from reflecting his trade mark in a corresponding domain name?**
- 3. Did the respondent register the domain name to disrupt the business of a competitor?**
- 4. Did the respondent register the domain name to attract Internet users by deceiving them of their affiliation with the actual owner of the trade mark?**

The panelists of accredited Service Providers will also look into whether the domain name was registered for the purpose of attracting Internet users for commercial gain, by confusing the domain name with the complainant's mark. This was the case in Bennett Coleman & Co. Ltd. v. Steven S Lalwani (<http://arbiter.wipo.int/domain/decisions/2000-0014.html>) and Bennett Coleman & Co. Ltd. v. Long Distance Telephone Company (<http://arbiter.wipo.int/domain/decisions/2000-0015.html>). A complaint was filed with WIPO in January 2000 by Bennett Coleman & Co. Ltd. regarding the names <theeconomicstimes.com> and <thetimesofindia.com,> respectively. The complainant published newspapers of Indian content named "The Economic Times," which had an average daily circulation of 350,100, and "The Times of India," which had a daily circulation of 2,522,488. The complainant had held the domain names, <economicstimes.com> and <timesofindia.com> since 1996, using

them for the electronic publication of its respective newspapers. The respondent's web sites used the domain names and redirected Internet users to the site <indiaheadlines.com> which also provided India-related news and articles. While passing their decision in the matter, WIPO took cognizance of the following factors:

1. The newspapers of the complainant had a wide circulation both within and outside India. The newspaper websites would have added to their overall reputation, since Internet users around the world could access the sites.
2. The disputed domain names, having the same title as the hard-copy of the complainant's newspapers, differed from the complainant's domain name only by the incorporation of the definite article "the" at the beginning.
3. The respondent's sites diverted the Internet users to another web-site and appeared to act as "postal addresses." The necessary implication was that the domain names in contention were used to take advantage of the reputation of the complainant by misleading Internet users that the disputed sites were owned by the complainant.
4. Since the Internet is accessible world-wide, it could not be contended that the trade mark of the complainant was not registered in a particular country.
5. Even though the marks may not have been registered, the act of the respondent would amount to the tort of passing off, since it was the reputation of the complainant and not registration of the trade marks that was paramount to the complaint.

Therefore, the WIPO panelists transferred the domain names, <theeconomictimes.com> and <thetimesofindia.com> to Bennett Coleman & Co. Ltd.

In Philips India Ltd. v. Proton Engineers (<http://www.arb-forum.com/domains/decisions/92529.htm>) a complaint was filed with the National Arbitration Forum in Minneapolis in January 2000 with respect to the domain name <philipsindia.com.> Philips India Ltd., a subsidiary of Philips Electronics N.V. (PENV) of the Netherlands, which was engaged in the business of manufacturing and marketing consumer electronic and lighting products. PENV was the registered proprietor of the trade mark "PHILIPS" in India and over the

world. The trade mark was also extensively advertised in India by Philips India Ltd. for six decades. It was, therefore, held by the National Arbitration Forum that the domain name <philipsindia.com,> had been wrongfully applied for and registered in the name of Proton Engineers. The domain name was, therefore, transferred to Philips India Ltd.

Dispute resolution by court proceedings

The filing of a complaint under the UDRP does not prevent either party from submitting the dispute to a court of competent jurisdiction for independent resolution either prior or pursuant to the conclusion of proceedings before the Administrative Panel. If an Administrative Panel decides that the domain name registration should be cancelled or transferred, then there is a period of ten working days during which the documentation of commencement of a lawsuit must be submitted to the concerned Service Provider. If such documentation is received within the ten business day period, the Administrative Panel's decision will not be implemented. No further action will be taken by the Service Provider until it receives:

1. satisfactory evidence of a resolution of the dispute between the parties;
2. satisfactory evidence that the lawsuit has been dismissed or withdrawn; or
3. a copy of an order from the court dismissing the lawsuit or ordering that the domain name be cancelled or transferred.

It must be noted that the Trade and Merchandise Marks Act, 1958 (the “TM Act”) and the Information Technology Act, 2000 of India do not deal with domain name disputes. Indian Courts, therefore, apply the rules of “passing off” with respect to such disputes.

The action against passing off is based on the principle that “a man may not sell his own goods under the pretence that they are the goods of another man.” (N. R. Dongre v. Whirlpool Corporation (1996) 5 SCC 714) Passing off is a species of unfair trade competition by which one person seeks to profit from the reputation of another in a particular trade or business. A passing off action is a direct subject matter of the law of tort or common law of right, i.e. case law. The TM Act does not define passing off, but only provides the rules of procedure and the remedies available.

Requirements for a passing off action to be successful.

- 1. The goods of the plaintiff must have acquired distinctiveness.**
- 2. The nature of activity of both parties are the same or similar (compliance of this requirement is not always insisted).**
- 3. The goods of the parties, with which the trade mark is associated, are the same or similar (compliance of this requirement is not always insisted).**
- 4. The use of the trade mark by the defendant is likely to deceive and cause confusion in the public mind and injury to the business reputation of the plaintiff.**
- 5. The sphere of activity and the market of consumption of goods of the parties are the same.**
- 6. The customers of the plaintiff *inter alia* include uneducated, illiterate and unwary customers who are capable of being deceived, confused or misled.**
- 7. The plaintiff has been using its trading style and trade mark for a long period and continuously, whereas the defendant has entered into the field only recently.**
- 8. There has not been much delay in filing of the suit for injunction.**

In Rediff Communication Ltd. v. Cyberbooth (AIR 2000 Bom 27), the Bombay High Court supported the action for passing off since the domain name of the Internet company <Radiff.com> was deceptively similar to the domain name <rediff.com> belonging to Rediff Communication Ltd., the Plaintiff. The businesses of the two parties also overlapped, thereby causing confusion to the Internet user. The Bombay High Court, therefore, delivered a verdict in favour of the Rediff Communications Ltd.

In another recent case of Aqua Minerals Ltd. v. Cyberworld, the Delhi High Court passed a verdict in favour of the plaintiff company which owned the trade mark “Bisleri” and restrained Cyberworld from using the domain name, <bisleri.com.>

Aqua Minerals Ltd. was permitted to approach the concerned Service Provider to seek a transfer of the domain name.

An action for infringement, which is a statutory right, is dependent on the validity of the registration of the mark. Unlike infringement, passing off is not a proprietary right in the name or the get-up, which has been misappropriated by the defendant. It is a wrongful invasion of a property right vested in the plaintiff. A passing off action is, therefore, independent of a statutory right and is established by evidence of reputation and goodwill of the business. (Harrods v. Harrodian School, (1996) RPC 697, as cited in P. Narayanan, Law of Trade Marks (Trade Marks Act, 1999) and Passing Off (5th ed.) 500)

In a recent case relating to the domain name <drreddy.com,> the Delhi High Court held that Mr. Manu Kosuri was a cyberquatter, who was trying to pass-off his website as that of Dr. Reddy's Laboratories, a well known pharmaceutical company. The Delhi High Court passed a decree that the function of the domain name was similar to a trade mark on the Internet. Though the trade mark "Dr. Reddy's" was still pending registration, the court supported the action for passing off, by virtue of priority of usage and reputation of the plaintiff company. The Service Provider was notified, and the domain name was transferred to the plaintiff company.

Hence, in a passing off action, the registration of the trade name or a similar mark is irrelevant. Here, the priority in adoption and use of trade mark is superior to priority in registration. (Kishore Zarda Factory (P) Ltd. v. J.P. Tobacco House, AIR 1999 Delhi 172) "By catena of decisions it is now settled that a prior user of trade mark has rights even over a later registered user..... [n]o injunction can be issued against a prior user of the trade mark in a passing off action." (M/s. Senor Laboratories Ltd. v. M/s. Jagsonpal Pharmaceuticals Ltd., AIR 1999 Delhi 102)

The protection afforded to unregistered marks is also extended to foreign marks, which have a reputation in India on the basis of extensive advertisements and publicity. The transborder reputation of a trader could enable him to obtain injunction in the courts of a country in which he is not trading. Indian courts, too, recognize the existence of transborder reputation and grant injunction in cases where one tries to derive economic benefit from the reputation established in a particular trade by another. (Mars Incorporated v. Chanda Softy Ice Cream and Others, AIR 2001 Madras 237)

Factors that are considered to decide the question of deceptive similarity.

- 1. Nature of the word marks, the label, or the composite marks.**
- 2. Nature of the goods.**
- 3. Similarity in nature, character and performance of goods.**
- 4. Class of purchasers likely to buy the goods bearing the marks.**
- 5. The mode of purchasing the goods.**
- 6. Other surrounding circumstances.**

Generally, protection against passing off is granted where the parties are engaged in the trade of the same or similar products or closely related products and services. (*Rob Mathys v. Synthes*, (1997 PTC 669 (Del), *P. Narayanan supra*, at 532)

There are certain essential ingredients of a passing off action. The plaintiff has to prove that there is a similarity in the trade names; the defendant is deceptively passing off his goods as those of the plaintiff; or that there is bound to be confusion in the minds of the customers. “What the plaintiff is required to prove is that defendant’s goods are so marked, made up or described by him as to be calculated to mislead ordinary purchasers and to lead them to mistake the defendant’s goods for those of the plaintiff. The test to be applied in such matters is as to whether a man of average intelligence and of imperfect recollection would be confused.” (*Kishore Zarda Factory supra*, at 175) If the goods are not similar and the trade names, logo, colour scheme, etc., used are not likely to cause confusion in the minds of the customers, no injunction to restrain the use of the trade name will be granted, because there cannot be any monopoly in the use of the trade name in respect of the goods falling in different classes. (*Roshan Lal Oil Mills Ltd. v. Assam Co. Ltd.*, 1996 (16) PTC 699, *P. Narayanan supra*, at 561)

In *Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd.* (2001) SCL 534, the Supreme Court set out factors that must be considered while deciding the question of deceptive similarity. Factors such as the nature of the marks (word, label or composite) and goods, similarity in nature, character and performance of goods, class of purchasers likely to buy the goods and the mode of purchasing the goods,

are essential components with respect to the question of deceptive similarity in a passing off action.

However, some decisions demonstrate that a common field of activity, though relevant, is not decisive in a passing off action. A trader may obtain an injunction against passing off, if it can be inferred that the use of the name will mislead the public. (Treasure Cot v. Hamley (1950) 67 RPC 89; Volvo (AB) v. Volvo Steels Ltd., (1998) PTC 47 (Del) (DB), P. Narayanan supra, at pp. 550, 552)

In an action for passing off, the motive of the defendant is not important. Once reputation is established by the plaintiffs, no further proof of fraudulent intention on the part of the defendants is required to be proved or established. (Kirloskar Proprietary Ltd. v. Kirloskar Dimensions Pvt. Ltd., AIR 1997 Karnataka 1)

Misrepresentation and loss or damage of goodwill are also essential elements for a successful passing off action. Both must be proved by the plaintiff for an interlocutory injunction. (Atheletes Foot Marketing Adm. Inc. v. Cobra Sports Limited, 1980 RPC 343, P. Narayanan supra, at 531) In addition, the goods of the plaintiff must have acquired distinctiveness and must be associated in the minds of the general public as goods of the plaintiff. The nature of activity and the market of consumption of the goods of the parties to the passing off action must be the same. Moreover, the use of the same trade mark or trade name by the defendant must be likely injure the business reputation of the plaintiff. (Hindustan Radiators Co. v. Hindustan Radiators Ltd., AIR 1987 Del 353)

The relief available in suits for passing off include an injunction restraining further use of the mark, damages, an account of profits, or an order for delivery of the infringing labels and marks for destruction or erasure.

Conclusion

Under the TM Act, trade marks are protected by two methods, i.e., an action for infringement with respect to registered trade marks and an action for passing off for the protection of unregistered trade marks. A domain name is a valuable asset and may be likened to a trade mark on the Internet. Currently, Indian companies have the option to resort to the UDRP to settle disputes relating to the deliberate misuse of trademarks through the registration of domain names in the gTLDs. The accredited Service Providers pass quick and inexpensive resolutions relating to domain name disputes. Indian companies may also resolve their grievances

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relating to domain names by filing a suit in a civil court of competent jurisdiction. The civil court can pass an order under the Common law of passing off, and grant a permanent injunction against the wrongful user of the domain name. Such judgments in favour of the trade mark owners are on the rise and will deter cybersquatters from future attempts to hoard domain names.