

THE EFFECTS OF THE INTERNET ON TRADEMARK IN INDIA

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Abstract

“As a means of identifying companies, domain names have taken on a new significance as a result of the globalisation and commercialization of the Internet. In the early days of the internet, domain names were created as a useful mnemonic for locating a particular computer system on the network. Domain names are increasingly extensively visible in the real world, including on television advertising, billboards, magazine adverts, and even the sides of buses. The essential building component of the internet, known as Internet Protocol or IP in layman's terms, is used for server communication. Given that these numeric IP addresses are not mesmeric, it becomes tiring and difficult to recall such IP numbers. The invention of domain names has significantly improved memory and is now seen as a corporate asset. The "Domain Name System" is what happens when a domain name is used as a straightforward substitute for any numeric IP address.”

KeyWord:-Cybersquatting, Internet, Domain Name, Illegal, Passing-off, Global Trade, International.

A. Introduction

"A mark capable of pictorial representation and which is capable of differentiating the products or services of one person from those of others and may include shape of items, their packaging, and mix of colours" is what is meant by a trademark.

“A mark can be a logo, trademark, heading, phrase, name, ticket letter, number, product form, signature, packaging, or any other combination of colours.”

When a trademark is registered, the owner gains the exclusive right to use it in connection with the goods and services he offers that set him apart from his rivals in the marketplace. Additionally, trademarks allow customers to connect a unique logo with the products or services they wish to purchase

Therefore, a trademark and a domain name both operate as "identifiers" in essence. However, unlike trademarks, there is no assessment made as to whether a domain name is distinctive or able to stand out on its own throughout the acquisition process. You may register descriptive words or even people's names as domain names. Some companies also utilize the domain names of their registered trademarks. On the other side, after

selecting a domain name, the owner can also request trademark protection to stop others from using the name. Since there is no explicit legislation that governs domain names, trademark law is used instead.¹

The flow of counterfeit goods into the market has exploded due to the increasing complexity of global trade and commerce. Intellectual property is becoming more and more significant on a daily basis, and it is now recognised internationally. The reputation of the trader is damaged if a genuine customer purchases a good or commodity expecting it to be one given by a certain trader and then discovers that it was subpar or that the product does not belong to the assumed dealer. As a result, it becomes crucial to develop a distinctive logo that represents a certain dealer as the product's source. It is crucial to safe guard consumers from being duped by fake goods in addition to the seller.

Such instances have frequently come before courts, particularly those in large cities. Due to these two issues, the courts have ruled:

The domain name infringer (the defendants) gave fictitious addresses, and although letters were served, he never showed up.

As the infringement won't reply to the service of notifications, the functioning of the website can be suspended but no punitive action can be taken against him.

Through the clearly stated landmark decisions of the Indian courts, the growth of the trademark jurisprudence in India is on an expressway. The 10th Five Year Plan's modernization of intellectual property offices and updating of the current system have aided in the application and registration processes for trademarks.²

B. Domain Name

To discover any website, internet users utilise domain names, which are user-friendly and easy to remember addresses. A domain name may be regarded of as a company's "digital identity," to put it simply. Since the Internet is based on IP addresses, technically every web server requires a Domain Name System (DNS) server to translate domain names into IP addresses. Every website has a domain name, which serves as both an address and an entry point. Domain names often begin with [xyz] and end with .com, .org, .gov, .net, .in, etc.

¹Chadha&ChadhaIntellectualPropertyLawFirm, *DomainnameandTrademarkrightsIndia*, AvailableAt: - https://www.lexology.com/library/detail.aspx?g=daafca2-6a68-4134-bd29-27aa941a1f03#_ftn2, VisitedOn: -12/10/2022.

²SakshiJain, *WhatcanIdotoprotectmytrademarkincyberspace:anoverview*, AvailableAt: -<https://blog.ipleaders.in/what-can-i-do-to-protect-my-trademark-in-cyberspace-an-overview/>, Visited On: 25/09/2022

In a Case, *People Interactive (India) Pvt. Ltd. v. Vivek Pahwa & Ors*³ High Court held, “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.”

When domain names meet all requirements for trademark registration, they can be registered as trademarks. Any domain name that is distinctive, able to set itself apart from others, and operating as a reliable source identifier of the pertinent goods and services on the internet may thus be registered as a trademark.

In *Satyam Infoway Ltd. v. Siffynet Solutions*⁴, The Supreme Court was urged to rule on the legality of recognising domain names as intellectual property, similar to trademarks. The court stated, "There is no question that a domain name's primary function was to provide computers on the internet an address. However, the internet has evolved from being only a tool for communication to a platform for conducting business. A domain name is also utilised as a means of identifying a business due to the growth of online commerce. As a result, the domain name not only acts as an online address but also serves to identify the unique internet site and set it apart from the offerings of other businesses. As a result, a domain name serves as an address and must thus be different and distinctive. Additionally, when a domain name is used in conjunction with a business, the importance of preserving an exclusive identity increases. Domain names have increased in value and the likelihood of a dispute is increasing as more and more businesses trade or promote their presence on the internet.

In a more recent decision, the Calcutta High Court held in *Rajat Agarwal v. Spartan Online*⁵ in 2017, citing the Satyam case, that a domain name is chosen as "an instrument of commercial enterprise not only because it helps consumers navigate the Internet to find websites they are looking for, but also because it simultaneously serves to identify and distinguish the business itself, or its goods or services, and to specify its corresponding Internet locator." The Court continued by stating that it was crucial to retain an exclusive identity, therefore a domain name had to be unusual and exclusive to the firm. Contrary to the Satyam case, the court did not enjoin the Defendants from using *spartanpoker.com*, noting that the Plaintiffs had simply registered the domain name and had not invested in creating a website, designing the mark's trade dress, or paying the associated registration fees.⁶

C. The Trademark and Internet

On the other hand, the term "Internet" describes the virtual space formed by the link between several computers. As a result, the idea of Internet is abstract. Internet is not bound to any one area of the world. It is devoid of any physical limitations and reaches every corner of the globe, uniting everyone. It is a communal

³SUITNO.846OF2015Decidedon14September, 2016.

⁴(2004)6SCC 145.

⁵G.A.No.687OF2017, JudgementDate12May, 2017

⁶AvailableAt:-<https://www.mondaq.com/india/trademark/235124/trademark-issues-in-digital-era-an-overview>, VisitedOn:- 11/10/2022.

area where online interactions and exchanges occur. The world is being revolutionised by internet technology, and it has become fashionable to do business and trade online. In order to ease these sorts of trade and carry out effective transactions between the customer and the dealers, several e-commerce websites are now emerging. Different countries' economy have benefited from the usage of internet platforms. The parties to the deal don't really speak to one another. The ability to browse the available without restrictions or time constraints, as well as the freedom to compare costs of various items and be entirely satisfied before making a purchase, make the online environment a favoured alternative for customers. The use of the internet has greatly simplified and facilitated trade.⁷

The Internet Issues are the most recent difficulty the trademark administration is facing. In India, trademark misappropriation as domain names is a problem. In this industry, cyber squatting is a significant issue. Additionally, the problem of well-known brand counterfeiting, fakes, and replicas being sold through online auction and shopping sites has led to a double dilemma. The current legal framework appears to be insufficient to address such issues. The virtual world has made such fraudulent goods transactions easier to conceal.

Such instances have frequently come before courts, particularly those in large cities. Thus, the courts' arguments centre on two issues:

- The Defendants'(i.e.,the domain name infringer)bogus addresses,and how after notifications were served, he never showed up.
- Although the functioning of the offending website may be terminated, no punitive action may be taken against the offender since he will not reply to the service of notifications.

Through the clearly stated landmark decisions of the Indian courts,the growth of the trademark jurisprudence in India is on an expressway. The 10th Five Year Plan's modernization of intellectual property offices and updating of the current system have aided in the application and registration processes for trademarks.⁸

D. The Effects of Internet on The Trademark

Traditionally, a trademark was registered for identification (proprietary) or certification purposes (regulatory). These two were seen favourably by the commercial elite as benefits. However, as the business world has changed, so has trademark law. The trademark under went change from private marks used to identify products for the maker to markings used to identify products for consumers. This is especially true nowadays, when a product is frequently sold because it bears a particular brand. In *Shredded Wheat Co. v. Humphrey Cornell Co.*⁹, it was determined that, in essence, the product guarantees are certain satisfaction to the customer that either that particular customer or other similar customers have obtained from using a good which had that mark and identifies for the consumer that the good has come from a reputable maker or source and is, therefore, of a certain quality.It may be argued that a trademark is sometimes both a creator and a signifier of goodwill

⁷SupraNote3

⁸AvailableOn:<https://www.iipta.com/top-5-indian-trademark-challenge/>, VisitedOn:-5/01/2022

⁹250Fed.960,963.

since it marks a product as satisfactory and encourages sales from the buying public¹⁰. In a supermarket (where the merchant is not present), when a product's ability to sell depends on the power of the trademark, the significance of a trademark is most obvious.¹¹

E. Legitimate and Illegitimate Use of Domain Name

Domestic companies may, through domain names, which are available at a comparatively negligent cost, create an image and compete with other companies internationally. practically, domain names perform all the functions in the limitless expanse of internet, which are performed by the trademarks in the physical world. having a domain name registered on the internet today, for a business house, is as important as opening a registered office in the physical world. Within the marketplace of the Internet, certain domain names, by use which are confusingly similar to a senior user's trademark, there is the possibility of blurring, dilution or punishment of a trademark. Such use may either be legitimate in the case of competing rights or they may be illegitimate as in the case of cyber squatting.¹²

1. CyberSquatting

It alludes to the process of registering a domain name created with the intention of engaging in trade and business. Although the firm has not registered the domain name, it is its trade name. A third party registers a domain name in this way with the intention of profiting by selling it to the rightful owner. The owner is unable to register his trademark as a domain name until the third party owns the domain name. As a result, his right to register is violated. A company can be recognised by its domain name. It fulfils the same functions as a trademark for a particular company. There is more than simply a URL required to visit a certain website. Additionally, an injunction can be obtained against someone who registers a domain name that is identical to or confusingly similar to a trademark of a company with which they have no commercial relationship. For instance, the two companies involved in the dispute between Green Products Co. and Independence Corn By- Products Co. were competitors in the market for corncob by-products. While ICBP has registered the domain name "greenproducts.com," no website has yet been made with it. The court found that ICBP intended to unfairly profit from Green Product's use of its trademark by using its deceptive domain name to draw potential customers to the site once it had been established. The court also declared that even after seeing the website, customers may only buy the products through the ICBP website. These considerations led the court to find it to be an infringement.¹³

2. CyberParasite

In this case, the advantages and earnings are generated through the usage of the real domain name. The technique would entail using a domain-name is close to a well-known brand but misspelt or otherwise similar.

¹⁰FrankISchechter, *The Rational Basis of Trademark Protection*, (1927)40Harv.LRev.813;

¹¹SreenivasuluNS, *Intellectual Property Law-Dynamic Interfaces*, 1stedn LexisNexisPubliaction, NewDelhi, P25.

¹²NandanKamath, *law relating to computers, internet and e-commerce* ", (NewDelhi: Universal publishing house), 211

¹³*Supra Note 12* p125

These methods are employed to misrepresent items to unsuspecting customers. For instance, in *Rediff Communication Ltd. v/s Cybertooth and Anr.*¹⁴, the defendant had a domain name registered that was identical to the plaintiff's and was operating a company of a similar kind. The court stated that there was a violation of the petitioner's right since the defendant intended to conduct his trade and commerce using the plaintiff's trademark or trade name.¹⁵

3. Cyber twin

It describes a scenario in which both sides to the dispute have legitimate claims to a certain domain name. Both parties in this case have a rightful claim to the domain name. Because the law of trademark and unfair competition may otherwise permit both parties to enjoy concurrent use of both, instances involving cyber twins are the most difficult to decide.

For instance, in the dispute between *Data Concepts, Inc. and Digital Consulting Inc.*, both parties had a rightful claim to the domain name (dci.com) because they both owned the DCI trademark. However, Data Concepts registered the trademark for dci.com in 1993. It would appear that in situations when both parties had claims, the first to register would win, but the Sixth Circuit determined that there was still a chance of infringement. Since trademark infringement is both a factual and legal issue, a complete trial is required to determine if there has been infringement. Data was unable to prove that dci.com was confusing users between the two marks in this instance because to a lack of proof and the fact that Digital was unaware of Data's past existence.¹⁶

F. Internet and Trademark Laws in India

In India, cyber laws are not as developed as they should be in this age of rising cyber crimes and other threats on the internet such as cyber-squatting, trademark infringement, domain name disputes and other security threats. If a citizen of India falls prey to this evil practice called cyber-squatting, his options are limited, unlike in US where there are developed and detailed legislations pertaining to Trademark Protection and cyber-squatting prevention in order to maximize protection against cyber-squatting and trademark infringement over the internet. The problem in the Indian respect is that no specific act or legislation pertaining to infringement of trademarks in cyberspace has been enacted yet. The law relating to cyberspace in India, the *Information Technology Act 2000* as amended in 2008 and 2015 also fails to answer the problems related to Intellectual Property, domain name disputes, trademark infringement and cyber-squatting on the internet. However, the silver lining in the cloud has been the extremely appreciable and creative role played by the Indian judiciary in developing cyber laws while dealing with cyber crimes in India. For instance, in *Yahoo Inc. v Aakash Arora and Others*¹⁷ Aakash Arora, a cybersquatter, registered www.yahooindia.com, which was confusingly similar to the domain name of Yahoo Inc. (www.yahoo.com), used it as a trademark on his website, and presented it self as an

¹⁴1999(4)BomCR278.

¹⁵*Supra*Note3.

¹⁶*Intermatic v Toeppen*, 947 F.Supp. 1227, 1233 (ND Ill. 1996).

¹⁷1999 PTC 201.

extension of yahoo.com in India by offering directory services similar to those provided by the plaintiff on its website. The Delhi high court granted an injunction prohibiting the defendant from using yahoo as part of *his* website. Also, in *Info Edge (India) Pvt Ltd v Shailesh Gupta*¹⁸, It was claimed that the use of a domain name that is similar to the plaintiff's for commercial reasons on a website would imply that the plaintiff's Internet users were the reason the domain name was chosen. *Satyam Infoway Ltd v. Sifynet Solutions Pvt Ltd*¹⁹ was another case where, for the first time, a dispute involving the protection of domain names on the internet came knocking at the door of the Apex court. The honourable Supreme Court in this case stated in unambiguous terms that the domain names are entitled to legal protection equivalent to that of a trademark. In the case *Rediff Communications Ltd. v. Cyberbooth case*, the plaintiff—the proprietor of the well-known site and domain name rediff.com—filed a request for an injunction against the defendant—the person who registered the domain name "rediff.com." The judge awarded the plaintiff temporary relief because there was a "clear purpose to mislead" and there was a shared sphere of activity. According to the judge, a domain name is more than just an Internet address, and it is entitled to the same trademark protection.

As amply illustrated by the above mentioned cases, the Indian Judiciary has, in absence of a pertinent legislation in this regard, played a commendable role in stretching the existing concepts of trademark law to the cyberspace. However, this very fact, sometimes creates unassailable obstacles in the path of effective administration of justice as the traditional trademark laws are territorial in nature and by the virtue of this fact, sometimes fail to combat the challenges posed by this boundaryless and ambitless medium of communication called cyberspace. In the wake of absence of a cyber-specific legislation in this regard, the other way out is that a person in India may also try to obtain a remedy under ICANN'S UDRP satisfying the criteria specified already under the immediately preceding heading. For instance, in *Tata Sons Ltd v Ramadasoft*²⁰, The Tata Group, India's largest industrial giant, and the plaintiff, a holding company, prevailed in a lawsuit to evict a cybersquatter from ten contested internet domain names. Ramadasoft was the target of a complaint made by Tata Sons to the World Intellectual Property Organization under Case No. D 2000-1713. WIPO, a United Nations organisation with headquarters in Geneva, guards patents and trademarks. On December 8th, 2000, Tata Sons Ltd. filed a complaint with the WIPO Arbitration and Mediation Center (the "Center"). The ICANN Uniform Domain Name Dispute Resolution Policy ("the Policy"), the Supplemental Rules for Uniform Domain Name Dispute Resolution Policy ("the Supplemental Rules"), and the Rules for Uniform Domain Name Dispute Resolution Policy ("the Rules") were all formally fulfilled by the complaint. In the present case, it is not necessary to point out that Rule 5(e) applies, which states that the Panel shall settle the disagreement based on the Complaint "5(e) if a Respondent does not file a response, absent extraordinary circumstances." The panel determined that the domain names are owned by the Respondent. The Respondent has no rights or legitimate interests in respect of these domain names and has registered and utilised them in bad faith. These domain names are confusingly similar to the Complainant's trademark TATA. Due to these circumstances, the Respondent must transfer the domain names to the Complainant. The Panel approved the complaint and ordered

¹⁸(2001)24PTC335(Del).

¹⁹(2004)6SCC 145

the transfer of the Respondent's domain names to the Complainant. In, other case, *Titan Industries Ltd v Prashanth Koorapati*.²¹, Tanishq.com was registered by the defendant. The plaintiff Company, which has been utilising the trade mark "tanishq" with regard to watches it has made, filed a passing-off lawsuit and claimed that the defendants' use of the domain name would cause confusion and deceit and harm the plaintiffs' goodwill and reputation. The defendants are prohibited by an ex parte ad-interim injunction from using the name "TANISHQ" on the Internet or in any other way, as well as from taking any other action that may be construed as an attempt to pass off the defendants' goods and business as those of the plaintiff. The High Court's judgement was not challenged by the defendant. In *SBI Cards and Payment Services Private Limited v Domain Active Pty Ltd*,²² The Australian corporation that stole the domain name in the hopes of later selling it for a significant fee to the State Bank of India subsidiary was ordered by the World Intellectual Property Organization to transfer the domain name to the Indian Company. The State Bank of India (SBI), which has been around for more than 200 years, was said to have founded the SBI Cards and Payment Services Private Ltd in 1998 in conjunction with GE Capital Services. The Australian corporation "was in the business of purchasing and selling domain names through its website www.domainactive.com," the SBI Card lawyers said, and the tribunal accepted that claim. The panel found that the Australian business registered the domain name sbicards.com to prohibit the owner of the trade mark or service mark from reflecting the mark as a comparable domain name after ruling on the complaint submitted by SBI Cards. In *Bennett Coleman & Co Ltd v Steven S Lalwani*²³, The Economic Times achieved the first-ever court win for an Indian corporation over a domain name. The administrative panel judgement in the cases involving Bennett Coleman & Co Ltd., Steven S Lalwani, and Long Distance Telephone Company was given on March 11, 2000, by panellist WR Cornish of the (WIPO) Arbitration and Mediation Center; the former was the complainant in both instances. The domain names www.economictimes.com and www.timesofindia.com have been owned by the complaint since 1996 and are used for the electronic publication of their respective publications. On 28 March 1973, the complainant registered the mark "The Economic Times" for newspapers, journals, magazines, books, and other literary works in India. On 30 July 1943, the complainant registered the mark "The Times of India" for the same items. Never the less, American citizen Steven S. Lalwani registered the domain name www.theeconomictimes.com with Network Solutions in 1998. It may be important to note that Long Distance Telephone Company, with Steven S. Lalwani's address of 16 Victoria Terrace, Upper Montclair, NJ 07043, USA, also registered the domain name www.thetimesofindia.com with Network Solutions. As they were available to be registered on a first-come, first-served basis, the aforementioned domain names were promptly registered by Network Solutions, the then-sole registrar for TLDs (Top Level Domains). It goes without saying that Network Solutions does not impose any limitations on the domain name registration. According to the ruling, the plaintiff has a very strong reputation in their newspaper titles as a result of their regular usage in hard copy and online publications. As a result, the WIPO Center Panel determined that the respondents used almost identical

²⁰2001INDLAWWIPO230

²¹CaseNo.D2000-1793, WIPO

²²2005INDLAWWIPO485

²³CasesNoD2000-0014and2000-0015, WIPO

trademarks in their domain names, even though the complainant has the rights to those trademarks and the respondents do not. Further more, it was categorically determined that the respondents registered and used the domain names in bad faith, as their use amounted to an intentional attempt to lure Internet users to their websites for financial gain by raising the possibility of confusion with the complainant's trademarks regarding the origin, sponsorship, affiliation, or endorsement of those websites and the services offered there. Recently, in August, 2009, *Mahindra & Mahindra Ltd, (M&M)*²⁴ won a cyber-squatting action at the World Intellectual Property Organization (WIPO) against a person headquartered in the United States who was using the name "Mahindra" in a domain. The Indian conglomerate claimed that defendant Zach Segal was using the domain name "mahindraforum.com," which is confusingly close to its "Mahindra" trade mark, and that the Florida- based individual had no rights or legitimate interests in the name. The contested domain name, according to M&M, "was registered and is being utilised in bad faith principally for the purposes of selling, renting," or otherwise transferring it to the corporation or "to its rival for valuable monetary consideration." When ordering Segal to transfer the disputed website to M&M, the WIPO's Arbitration and Mediation Centre found that the domain name was specifically chosen and used for its potential commercial value in deceiving internet users familiar with the complainant's well-known and arbitrarily chosen Mahindra marks. According to the article, purchasing and formally registering an online address that contains the name of an established business or a well-known individual with the goal of selling it to the owner in order to gain money is known as cyber- squatting.

G. Conclusion

In conclusion, the growth of internet services has altered the course of history and had an impact on many facets of society. Domain names have grown in significance in the online world, and trademark-related crimes are becoming more frequent. As a result, it becomes crucial to draught thorough laws in this area. Businesses invest a considerable amount of money in developing their online presence. As a result, they must also take action to stop the exploitation and theft of their intellectual property. It is essential for businesses to properly register their trademarks for the same reason. Even though you cannot prevent every third party from violating your trademark, trademark registration ensures that you will be compensated for any infringements. You may protect your brand in cyberspace by getting it registered, which will help in the legal proceedings.

²⁴WIPO Arbitration and Mediation, available at :-<http://sify.com/finance/m-amp-m-wins-cybersquatting-case-atwipo-news-corporate-jiirCcdfcdd.html>, Visited On:-21/10/2022