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## **DOMAIN NAMES DISPUTES, ITS COMPLEXITY AND INTERACTIONS WITH INTELLECTUAL PROPERTY LAW**

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### **ABSTRACT**

Given the central position that internet holds today, it has assumed a major platform for businesses to operate with its own identity and ubiquity on the World Wide Web. Trademarks offer the conducive environment for these enterprises to thrive, where face to face interaction with the customer is a rarity. Customers connect with trademarks which play a fundamental role in assuring the quality of the goods online. Domain names which contain the name of the brand or a company, makes it easier for anyone to search the web page. As domain names are closely linked with a product or service, they are not mere “addresses” in cyberspace today. With growing number of illegal registrations of domain names known as cybersquatting, handling of trademarks in cyberspace has become a significant challenge. Domain names and intellectual property interface is raising crucial questions on the true nature of domain names. This paper focuses on this interface and discusses questions on legality of domain names. It attempts to analyze the collaborative efforts, both at national and international level, in shaping the laws to defeat squatters, its results and the combative policies of Facebook and Twitter.

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### **Introduction**

The act of cybersquatting is encouraged by lack of knowledge and awareness amongst businessmen and users about domain names. Laxity in understanding of the domain name disputes, its consequences and the events that trigger domain name infringement are common. Profit earning and monetary gain are the major driving forces behind such illegal activities. Fake domain names are sold either to the owner himself or to the third parties at an exorbitant price.

Over the last few decades, dependency on internet has grown by leaps and bounds, making it easier for anyone to control web page or creation of unique identities online. It is now largely possible for hijackers to imitate domain names and earn profit using a false brand name. For instance, if a user types “radiff.com” instead of “rediff.com”, there are possible chances of stumbling upon a fake and an unauthentic website. This can result in serious grievance to the user and may hamper the goodwill and reputation of the popular brand “rediff.com”. Such incidents cannot be ignored as mere accidents as they adversely affect the competitor’s business and credible chances of his profit making. The innocent users are diverted to wrong websites shrinking the profit margin of the genuine businesses. This act called ‘cybersquatting’ is a dangerous occurrence making one’s business vulnerable to the competitors. Assume a person accidentally typing ‘www.sbiindia.com’. He is likely to be redirected to plethora of fake versions of the public sector’s bank website exposing him to massive financial risk of fraud. If he falls in the trap, he incurs enormous loss for himself while benefitting the rival’s fake business. Such

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diversions are not mere 'accidents' but a strategy to frustrate the original business owner and profit the rival business.

Cybersquatting is also a form of trademark infringement. It involves registration of a well-known trademark prior to the authentic owner of the similar mark thereby diverting his profits to one's own gain. Again, cybersquatting is not limited to using a similar fake domain name. Trademark infringement as cybersquatting may also involve use of metatags. Cybersquatting was defined by the Delhi High Court in *Manish Vij v. Indra Chugh* as "an act of obtaining fraudulent registration with intent to sell the domain name to the lawful owner of the name at a premium".<sup>1</sup> Increased use of fake domain names have aggravated the acts of cybersquatting worldwide reasons for which are attributed to the lack of awareness amongst general public including the registered domain name user. Legal mechanisms to deal with cybersquatting in India are at nascent stage when compared with some of the developed nations like the United States.

### **Creation of Domain Names**

Domain names have made it easier to navigate on internet. The realm of World Wide Web is highly significant from an economic point of view. It is possible for without a dotcom company to acquire significant reputation through the use of a domain name. For instance, Olx Inc., a company in the physical world can be identified as 'olx.in' on the web having its own ubiquitous presence. Apple Inc. enhanced its goodwill through the use of domain names. Enormous economic value is attached with domain names which acts as a motivating factor for the wrongdoers to use fake names against genuine domain names as a tool to extract monies from the original owners.

Domain names are created using IP Numeric, whenever a domain name is typed. It is then sent to a "root server" which stores the information in root server's top-level domain. Businesses or entrepreneur's names are sound choices to make, when selecting a domain name since it becomes easier for the customers to later associate and connect with the name. Domain name system (DNS) servers for every website are provided by the respective domain. When a user wishes to access a website, the browser searches the directory (such as .com or .net) consisting DNS for an IP address matching the URL requested by the user on that particular domain. Domain names could be of any type. For instance, an incorrect spelling of the intended website may also be used, also referred to as the practice of Typo Squatting. Often, the phrasing of domain name may be different or sometimes, extension or top level domain may also be used differently. Squatters may also resort to omission or changing of dot location in the domain name. Top level domain are categorized into three types, namely, generic or country code or infrastructure.

### **Nature of Domain Names**

Domain names, as such, do not qualify either as industrial property or copyright. They must be unique to allow businesses to use them widely on internet. They get trademark protection. The irony of trademark law is that it permits use of identical marks as long as no confusion is caused in the minds of the public. But each business entity ought to have its unique domain name. In such a scenario, it is crucial for the trademark law to adjust to the regulatory environment of cyberspace. It must transgress social, cultural and geographical borders. *Titan Industries Limited v. Prashanth Koorapati and Others* was the first decision taken by an Indian Court in protecting domain names. An injunction was granted against the defendant from using the trade name "Tanishq" by the Delhi High Court as it was found to

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<sup>1</sup> *Manish Vij v. Indra Chugh*, AIR 2002 Delhi 243.

be “deceptively similar” to the trademark which plaintiff was using and an action for passing off was clearly made out.<sup>2</sup>

In *Aqua Minerals Ltd v. Pramod Bose and Another*, the Delhi High court emphasized upon equal protection for domain names under the trademark law.<sup>3</sup> Since all domain names are represented by a common suffix ‘.com’, it cannot be said that it is a trademark and therefore, worthy of trademark protection. If the top level domain name is removed, we are left with a simple word. Thus, domain names are not purely trademarks and there exists no possibility of getting protection under any other regime. Existing domain name disputes is a reflection of prevalent chaos in the intellectual property law.

### **Cybersquatting on social media**

Enforcing trademark infringement actions on social media websites may welcome enormous lawsuits detrimental to free speech rights. So forth, law should maintain limited interference.<sup>4</sup> Extension of user names by these websites especially Facebook have opened doors for big businesses to build a strong foundation for their marks. At the same time, these usernames may be reserved to bring harm to the real trademark owners. An impostor can adversely affect the reputation of a trademark. A username is reserved, once it holds one thousand followers, making it difficult for a cyber squatter to achieve. Facebook can reclaim infringing username anytime. Trademark owners also owe the responsibility of informing the social media websites about infringement. By attaching ‘mobile phone authentication’ feature for verification, much damage by the cyber squatter may be prevented. However, the success of this feature is yet to be witnessed.

For twitter handlers, hashtag infringement is a huge problem. Twitter allows its users to type anything on their tweets and profiles, thus, showing in the search engines, making it conducive for individuals to freely control the content. Twitter also embraces verification procedure through the use of ‘verification badges’. This feature is not applicable to businesses as it is still under revision. Many of the business units are unable to derive benefit of this feature as it has been introduced for public officials, athletes, celebrities and other persons with public significance.

Many brand names such as Volkswagen came under threat when an impostor reserved its name and not just this, almost famous brands have met the same fate, when the impostors created fake usernames. Undoubtedly, this has subject twitter to much criticism. Nevertheless, Twitter amended its policies allowing the companies to complain infringement to site administrators. As long as the account is active and attempts have been made to receive payments for exchange of usernames, it amounts to ‘name squatting’ according to Twitter. Mere status updates without profile pictures is not regarded as name squatting. For trademark owners, twitter helps report infringing cases but does not take *suo moto* action as it does not interfere in free speech rights. It does not monitor user content. Reporting requires clear evidence of registration and therefore, gives no protection to unregistered marks. However, Twitter has been enforcing its policies, for example, in cases of Heinz trademark and Hyundai in the United States. The username was restored without contacting the profile owner. At the outset, these policies of Twitter allows trademark owners to report their cases for protecting their brand names but does little to prevent such cases. Despite these shortcomings, trademark owners can exercise different alternatives for protecting their rights. But they may overdo enforcement or devise strategies to sue social media websites. In either case, unnecessary encroachment on free speech rights must be prevented. Steps should also be taken to check dubious and fake lawsuits. Enforcement of trademarks

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<sup>2</sup> Titan Industries Limited v. Prashanth Koorapati and Others, Delhi High Court Suit No. 179 of 1998, Decision dated 28 Jan 1998.

<sup>3</sup> Aqua Minerals Ltd v. Pramod Borse and another, AIR 2001 Delhi 463.

<sup>4</sup> Thomas J. Curtin, The name game: cybersquatting and trademark infringement on social media websites, 19 JOURNAL OF LAW & POLICY 353 (2010).

in social media would help prevent use of mark in social settings in context of stricter enforcement and control over usernames and hashtags. This is contrary to free speech and expression rights safeguarded by Indian constitution. Therefore, a stronger protection for domain names may not be actively supported.

### **Squatting on domain names**

An engineering student in Kochi created a fake domain name called “maxchanzuckerberg.org” which was eventually bought by Mark Zuckerberg, CEO of Facebook at a price of \$700. In September 2015, a former employee of Google Inc. purchased ‘Goggle.com’ and sold it back to goggle at \$6006 though the reward was much doubled when he donated the same for public service to the Art of Living Organization. In 2014, a youth from Lucknow grabbed the handle @PMOIndia as it was changed by the officials to a new handle @PMOIndiaArchives. He began to make tweets from the handle which subsequently alerted the officials. Plethora of cases in India has witnessed techies squatting on domain names of famous celebrities such as “salmankhan.com” or “amitabhacchan.com”. There have also been humungous cybersquatting cases internationally with the highest deal being struck at \$35 million for domain name ‘vacationrentals.com’. Domain name ‘yoga.in’ was sold for 1 crore rupees by a German man. Axiom, a company sold the domain name ‘www.gurunanak.com’ for \$10000.

### **Intellectual Property Rights in Domain Names**

Domain names do not qualify as industrial property nor does it gets protection by copyright. Ubiquity of domain names is the primary focus and if used by more than one business entity, it may lead to a scenario of massive confusion. Use of identical names is welcomed within the Trademark law until confusion is caused in the minds of the consumers. Many businesses would often use their own business names as trademarks for convenience of their customers leading to an anomalous assumption that all domain names are trademarks of the business entities. Domain name disputes have distorted the contours of intellectual property law. Some of the issues can be simply characterized as ordinary incidents of trademark infringement moved to cyberspace; others, like the domain name issue, resulting from digital age particularity.<sup>5</sup> Trademark law should embrace the changes brought in by the technology taking into consideration social, economic, constitutional and global perspectives. Domain name is entitled to trademark protection once the name acquires distinctiveness. In *Aqua Minerals Ltd v. Pramod Borse and Another*, the Delhi High Court stated that the domain name should be given protection under the Trademarks Act, 1999.<sup>6</sup> Since domain name comprises of words, it can well be considered as a representation of trademark. But they cannot be protected, as domain names largely contain top level domain names and do not qualify as Trademark. If top level domain is removed, only some words will be left which fails to be a trademark.

Section 29 of the Trademarks Act 1999 stresses on ‘use’ of a trademark for a valid claim in an infringement action. In a passing off action, however, ‘misrepresentation’ by the defendant is given consideration and the burden of proof falls upon the plaintiff. Therefore, a domain name is susceptible to copying and no action stems from non-use of infringing domain name for the purpose of hosting a website. In *Sbicards.com v Domain Active Property Ltd*, a company from Australia registered “Sbicards.com” with the intention of diverting the funds from State Bank of India. WIPO decided to transfer the domain name back to India.<sup>7</sup>

Similarly, in *Maruti Udyog v. Maruti Infotech*, the company Maruti Udyog filed a complaint at WIPO over the unlawful registration of domain name “maruti.org”. Since the consumer of average

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<sup>5</sup> Sally M. Abel, Trademark Issues in Cyberspace: The Brave New Frontier, 5 Mich. Telecomm. & Tech. L. Rev. 91 (1999).

<sup>6</sup> *Aqua Minerals Ltd v. Pramod Borse and Another*, AIR 2001 Delhi 463.

<sup>7</sup> *Sbicards.com v Domain Active Property Ltd* 2005 (31) PTC 455.

intelligence and imperfect recollection is likely to associate the domain name with that of the company, the WIPO Panelists convinced of the clear intention of making unmerited profit by the defendant ordered the transfer of the unauthorized domain name to the original company.<sup>8</sup> Thus, in these two decisions the court's stance for remedying the offence was by way of transfer.

In *Tata Sons v. The Advanced Information Technology Association (AITA)*, a case was filed by Tata Sons against AITA at WIPO for unauthorized use of domain name "tata.org." WIPO Panelists passed the award in favour of Tata Sons owing to the fact that "Tata" was a well-known name without any dictionary meaning. It was a family name, linked with set of products of high quality. The domain name was transferred to Tata Sons by Internet Corporation for Assigned Names and Numbers (ICANN), at the behest of WIPO.<sup>9</sup> In *Dr. Reddy's Laboratories Limited v. Manu Kosuri & Anr.*, the court while considering the similar function of trademark performed by domain names proceeded against the defendant for using the domain name "drreddyslab.com" infringing plaintiff's previously registered domain name called "www.drreddys.com".<sup>10</sup> In *Starbucks Corporation v Mohanraj*, the respondent had the malafide intention to bring disrepute to the complainant's domain name called "www.starbucks.in". He, therefore, went forth in registering domain name called "www.starbucks.co.in" which was struck down by the court. The court went in favour of the complainant by pointing towards the lack of legitimate interest of the respondent in having such domain name.<sup>11</sup>

### **Combative steps at the International level**

Cybersquatting is immensely popular in cases where massive financial funds are involved such as credit card frauds, etc. though many banks and big firms employ their own IT Staff to deal with such cases. India does not have any special legislation to deal with domain name infringement cases and cybersquatting as yet. While trademark protection is a varied one depending upon the nation, the cyberspace cuts across territorial barriers giving access from any location across the globe.<sup>12</sup>

Efforts are being made to address cyberstalking at international level. WIPO Arbitration and Mediation Centre can either restrain the infringer from using the domain name repeatedly or pass orders for payment of damages for loss caused to the complainant. Uniform Domain Name Dispute Resolution Policy (URDP) is applicable when a domain name is used that is deceptively similar to a registered trademark provided that the registrant uses the domain name in 'bad faith'. Having no rights or claims in the said mark. URDP is not concerned with disputes arising between two trademark holders that falls under Trademark law or dispute involving registrant having legitimate rights or interests. Bonafide use or legitimate use for non-commercial purpose are exceptions to the application of URDP. URDP proceedings are conducted through ICANN approved dispute resolution service providers namely, WIPO, National Arbitration Forum (NAF), Asian Domain Name Dispute Resolution Centre (ADNDRC) and Czech Arbitration Court (CAC). However, URDP has been subjected to several criticisms. To begin with, it does not follow due process and has no systems of checks and balances. It does not incentivize parties equally. The panelists in URDP are not experienced with intellectual property issues while the number of cases continue to increase. URDP lacks a uniform system with its provisions largely tainted with obscurity. There is no accountability for the decisions taken by URDP panelists. URDP is flawed with inconsistent Panel decisions. There is no room for precedents. Moreover, URDP is limited in its jurisdiction to conflicts related with Domain Names registered with ICANN. Being limited in scope, it is yet to emerge as a gigantic platform of global Domain Name

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<sup>8</sup> Maruti Udyog v. Maruti Infotech, WIPO Case No. D2000-0520.

<sup>9</sup> Tata Sons v. The Advanced Information Technology Association (AITA), WIPO Case No. D2000-0049.

<sup>10</sup> Dr. Reddy's Laboratories Limited v. Manu Kosuri & Another, 2001 (58) DRJ 241.

<sup>11</sup> Starbucks Corporation and Starbucks U.S. Brands Corporation v. Duncan Freeman Case No. D2003-0262.

<sup>12</sup> Satyam Infoway Ltd vs Sifynet Solutions Pvt. Ltd., AIR 2004 SC 354.

Dispute Resolution.<sup>13</sup> Domain name registration is given on 'first come first serve' basis. Under Trademark law, two or more users of the Trademark may co-exist in cyberspace and therefore, it may not be possible to have a chain of more users with single domain name. For instance, 'United' is a Trademark for both United Airlines and United Van Lines, but both these companies cannot hold domain name 'united.com' simultaneously. Many times another company chooses a variant or the same name as it gets difficult for registering authorities to track each of them owing to higher investigation costs. Domain name disputes largely consists of conflicts between multiple holders of identical marks, 'pure speculation', registration of untraded popular words as domain names for reselling them for profit or cybersquatting. Disputes involving multiple Trademark holders have witnessed peaceful settlement in the past. For instance, domain name website can be used as a shared website acting as a gateway containing links to websites of each party. Links to other party's website or a disclaimer may also be a possible alternative. This can help decrease consumer costs. It serves public interest as it allows first-to-register practice to co-exist with multiple-user Trademark system. Some of the scholars suggest forming an international treaty harmonizing domain names establishing it as a separate intellectual property right. Since there is a difference between domain name and trademark systems, they should not be grouped together.<sup>14</sup> But the question whether the trademark legislation should apply to domain name or not is open and debatable. The question could only be settled by determining the qualification of domain names as an intellectual property right. On one hand, both of them consist of massive similarities. They designate the source of the product, define the origin and help consumers distinguish authentic products from fake versions. Both the trademark holder and domain name owners invest enormous amount of time and money for expanding their customer base. However, there also exists stark differences between the two. Domain names can also be used for non-commercial purpose such as a blog, where it performs a specified function of naming the website address only. Trademarks are purely commercial. Domain name is a global phenomenon but trademarks are purely national. This is so despite the fact that trademark can be registered both at the community and international level. Domain name gives an option of choice of law to the parties for settling disputes. Arbitration procedures as a dispute resolution mechanism are found much suitable for domain name disputes. On the contrary, trademark disputes are largely settled through litigation. Thus, the remedies awarded in these disputes differ. Today, questions are being raised on legal position of domain names. Domain name has developed a branding value and can be qualified as Intellectual Property. Contractual stipulations which define the contours of relationship between users of domain name and registering authority is governed by contract law. However, the complexity of issues arising in domain name disputes today cannot be resolved by recourse to contract law alone.

### **Need for changes in legal interventions**

While it is important for India to take a pragmatic approach, it nevertheless needs a law for itself. The Intellectual Property Laws in India should be allowed to redress the challenges brought in by the technological changes. The digital revolution calls for introducing necessary amendments in the present legislations. Even the Information Technology Act, 2000 does not address intellectual property issues over the internet. The Act, to a very large extent, deals with cybercrimes and electronic signatures. It does not cover all the aspects of information technology especially the online related issues. Cybersquatting has not been even addressed by the Act. Trademarks Act, 1999 has limited application as it lacks extra-territorial operation. It does not contain any provision to deal with cybersquatting. Thus, the courts in India are compelled to remedy the aggrieved under the action for 'passing off'. In doing so, the courts follow the policies and guidelines of WIPO and URDP. India does

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<sup>13</sup> Lisa M. Sharrock, *The Future of Domain Name Dispute Resolution: Crafting Practical International Legal Solutions from Within the UDRP Framework*, 51 *Duke Law Journal* 817, 849 (2001).

<sup>14</sup> Leanne Wood, *A Name of Thrones: Why domain names should now be a separate intellectual property right*, 36 *European Intellectual Property Review*, 452-464 (2014).

not subscribe to URDP but follows the IN Dispute Resolution Policy (INDRP) which has been formulated by IN Registry and is akin to URDP and Information Technology Act, 2000. The dispute is settled through Arbitration to which the provisions of Arbitration and Conciliation Act, 1996 becomes applicable.<sup>15</sup> Neither the Indian Penal Code, 1860 nor the Information Technology Act, 2000 prescribe any penalty for the offence of cybersquatting.

### **Conclusion**

As there is dearth of concrete provisions and suitable legislations to deal with the act of cybersquatting, it becomes extremely crucial for the courts to give wider interpretation to the provisions contained under the Trademark law. Drafting of a new legislation is absolutely indispensable since trademark law and Information Technology Act are not sufficient enough to deal with new range of disputes in cyberspace. Both the Acts do not sufficiently address the cyberspace and intellectual property interface. Since cyberspace is dynamic, resorting to older laws would not offer any constructive solutions in resolving new and emerging range of disputes. Moreover, setting up of a new parallel body as in case of United States and Czech Republic to independently resolve cybersquatting cases helping the victims get justice at the earliest. The INDRP could also be converted into a mandatory policy and re-shaped into law. Thus, some of these actions could help prevent the problem of squatters and save businesses from being robbed of their monies.

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<sup>15</sup> INDRP applies when a complaint is made to IN Registry. An arbitrator is appointed from the list of arbitrators and a notice is issued within 3 days of the receipt of the complaint to the respondent. The proceedings are conducted subsequent to which award is passed.