

“APPLICABILITY OF TRADE MARK LAW ON THE INTERNET”**¹PRITHA BANERJEE, ²DR. RAJIV BHALLA**¹Student, LL.M., Chandigarh University²Associate Professor, Chandigarh University

Abstract: The rapid growth of internet marketing has not only proved to be a boon for the online business houses but has also made it easier for the consumers to access information and purchase goods and avail services. The goodwill of online marketing is prone to frequent infringement by the wrongdoers. Majority of the disputes occurring in cyberspace involve violation of one’s intellectual property rights, whether it is in form of trademark, copyright or common law right in passing off for that matter. The introduction of domain names in cyberspace has acted as a catalyst in the commercialization of the internet. There are no exclusive legislations to protect the domain name disputes, therefore, the provisions of trade mark laws are put to use. This paper aims to establish a relationship between a trade mark and a domain name and define the scope of trade marks in cyberspace. It further tries to give an overview of the trade mark disputes over the internet and whether the traditional laws are sufficient to combat these disputes or not.

Introduction:

Internet is undeniably one of the finest products of the technological developments. With its increasing popularity, it soon evolved as a platform for global communication and a tool for establishing one’s online identity. It transformed from a research tool to a global marketplace with the potential of harboring large number of customers. This called for the need to establish a distinct identity in the cyberspace, resulting in the introduction of Domain names.

But like any other invention, cons of internet couldn’t be overlooked for a long time. The unrestricted expansion of internet posed as a threat to the protection of Intellectual property in the cyberspace. Domain names are often regarded as the online equivalent of trade marks and the majority of domain name disputes revolve around trade marks. Therefore, it becomes necessary to establish a relationship between a trade mark and a domain name.

What is a Trade mark?

A trademark is a mark which is in the form of a symbol, a word or a label and can be graphically represented¹. It is a visual symbol applied to articles of commerce for differentiating the products of one merchant from the similar products manufactured or dealt in by other enterprises. Trademarks are needed so as to reveal to the potential customers that the merchant has acquired a sort of limited exclusive right² over the mark which he uses to sell or otherwise deal with the goods manufactured by him and for differentiating his goods from others.

As per the common law, this particular right has been protected in the form of an asset under a trademark³. The purpose of introducing trademarks has not undergone any drastic changes as of now. Trademarks are used for satisfying two primary functions; they increase the goodwill of the business as far as the merchants are concerned⁴ while for the consumers, they determine the quality of the product.

What is a Domain Name? A domain name is a unique name which acts as a web address used for identifying and accessing a website.⁵ When visiting a website, the domain name pops up on the address bar of the internet browser. Depending upon

¹ The Trade Marks Act, 1999 (Act 47 of 1999), s. 2(zb).

² Trade mark defined by the office of the Registrar of Trade Marks *available at* <http://www.ipindia.nic.in/> (last visited on Jan 11,2020)

³ P. Narayanan, *Intellectual Property Law* 146 (Eastern Law House Private Ltd., Kolkata, 3rd edn., 2012)

⁴ Shahid Ali Khan and Raghunath Mashelkar, *Intellectual Property and Competitive Strategies in the 21st Century* 191 (Kluwer Law International, The Netherlands, 2004)

⁵ Pankaj Jain and Sangeet Rai Pandey, *Copyright and Trademarks Laws Relating to Computers* 89 (Lucknow, Eastern Book Company, 1st edn., 2005).

the type of website, a domain suffix may range from .com, .net, or .org to .in, .it or .uk. In other words, a domain name can be referred to as one's 'online identity'. A domain name usually comprises of two parts, the "top level domain" (TLD) and the "second level domain" (SLD). Furthermore, the TLD's are divided into two categories, the generic TLD (gTLD) which is associated with some domain class and the country code TLD (ccTLD) which is unique and is assigned to every country or jurisdiction in the world.

Every computer or server connected to a network is given a unique electronic address, commonly known as "Internet Protocol Address" (IP Address)⁶. IP Address comprises of a unique 32-bit number⁷ separated by a dot (.) and divided into four parts. Each part ranges between 0 – 255 and is known as "Octect" which is 8 bits long, which makes the IP Address 32 bits long. Example: 102.32.95.302.

It is near to impossible to remember these lengthy IP Addresses for accessing a website.⁸ Therefore, the domain names were introduced which are user friendly and easy to remember for the web users. The conversion of domain names (human readable names) into IP addresses (understood by the web server) for locating a website is managed by the Domain Name System⁹.

The DNS hierarchy can be explained as follows:

DNS Root Zone → Top Level Domain → Second Level Domain → Sub-Domain → Host

When the user types the easy-to-remember domain name in his browser, for example www.yahoo.com, the Domain Name System server provides it with the IP address of yahoo.com so the browser can request data from yahoo's web host. The assignment of Domain names is managed by the "Internet Corporation for Assigned Names and Numbers" (ICANN).

Scope of trade mark in cyberspace:

The expansion of the internet has also expanded the scope of trade mark. Usage of trade mark as domain name on the internet is one of them. For this, a relationship had to be established between them to see whether a trade mark can be considered as a domain name and vice versa. Trade marks on one hand, are used in the physical world while domain names serve in the cyber world but both are interrelated in a way that ultimately affects the goodwill of the company. A domain name can be registered as a trade mark if it is unique, capable of distinguishing its goods and services from those of others and acts as a reliable source identifier of concerned goods and services on the internet.

Due to this, trade mark owners wish to register domain names that are identical to their trade mark. The real problem arises when the desired domain name is owned by someone else. The trade mark owner may choose a different domain and lose the visitors or fight to get the name back. This has led to a constant legal battle between trade mark owners and the domain name holders.

Since 1999, "WIPO Arbitration and Mediation Centre" has been resolving domain name-trademark disputes through the ICANN-authorized process. ICANN has the obligation for allocating Internet Protocol addresses, managing the DNS along with the protocol agreements.

⁶ Catherine Colston and Kirsty Middleton, *Modern Intellectual Property Law*, 615 (Cavendish Publishing Ltd, London , 2nd edn., 2005)

⁷ Internet Assigned Number Authority (IANA), together with The Internet Corporation for Assigned Names and Numbers (ICANN) are responsible for the IP numbers and addresses.

⁸ Paul Sugden, "Trademarks and Domain Names", in Jay Forder and Patrick Quirk (eds.), *Electronic Commerce and the Law* 203 (John Wiley & Sons, Australia, 2001)

⁹ Michael Froomkin , "ICANN's Uniform Dispute Resolution Policy – Causes and (Partial) Cures" 67(3) *Brooklyn Law Review* 605 (2002)

Domain name-trade mark clashes on the Internet: With the advent of internet and digital marketing, domain name became a new form of an intangible asset for the business houses over the course of the last 20 years¹⁰. Registering a domain name is extremely easy. It is neither costly nor time consuming. No pre-registration investigations are done before assigning a domain name and hence, assigned on the “first-come, first served” basis.

In addition to that, unlike the trade mark law which was framed for the sole purpose of giving exclusive intellectual property rights to the trade mark holders, the domain name system was not developed for awarding the same kind of exclusivity to the holder of a domain name.

The lack of constraint over the DNS has not only provided a way for consumers to easily navigate the Internet but also added a great economic value to the online businesses. But with the increasing number of registered domain names, the risks of domain name violations have also increased and the most common form of trademark infringement on the internet is in regard to the domain names itself.¹¹ Some of these risks involve the following:

1. Cyber-squatting:

Cyber-squatters are those people who register domain names which have a similar pre-existing trade mark, on the Internet with the sole intention of reserving and reselling those domain names to the companies who have goodwill over that trade mark. The purpose of these individuals is to earn profit from these companies by demanding money in lieu of selling the domain name to the trade mark owner. Cyber-squatters do not hold a legitimate claim over the domain names. Cyber-squatters have no use for these domain names except to prevent the trade mark holder from gaining access to the name in the hopes that he will make an offer to buy the domain name and then the cyber-squatter will resell them and gain profit.

2. Reverse Cyber-squatting:

Reverse Cyber-squatting can also be termed as “Reverse Domain Name Hijacking”. As per the rules of UDRP, “Reverse Domain Name Hijacking means using the [UDRP] in bad faith to attempt to deprive a registered domain-name holder of a domain name.”¹² In other words, when big corporations holding a registered trade mark pressurize a legitimate holder of the domain name (similar to the trade mark) to transfer the ownership of the said domain name to them, it is known as Reverse Cyber-squatting. The companies often intimidate the legitimate owner in order to secure the domain name. Although the UDRP Rules were framed to protect the interest of the companies holding registered trademarks against the cyber-squatters, they often get misused by those companies themselves who bring in false cases to harass the legitimate domain-name holder and deprive them of their right to hold the domain name.

3. Typo-squatting:

Also known as URL hijacking, typo-squatting is another type of cyber-squatting. It is also domain mimicry or generating a fake URL or a sting site. It can easily be described as faking a website by making typos or misspelling or minor malicious changes to a popular domain name so that when the Internet users make a mistake while typing a domain name and fail to notice it, they will be redirected to the fake or the alternative website set up by the typo-squatters. Typo-squatters register domain names containing different variants of popular brands or trade marks to make them visually similar to the original, increasing the likelihood of successful attacks and rely on the internet users to make typographical errors while typing directly in the address bar of their web browser, rather than using a search engine. Typo-squatters capitalize on user typographical errors to generate ad revenue, display custom images or text, further scams and frauds, capture login credentials, and/or infect users with malware. Their purpose is to compel the brands to buy the domain name from them.

¹⁰ Margaret J. Radin and J. A. Rothchild, et.al.: *Intellectual Property And The Internet: Cases And Materials 2* (Foundation Press, New York, 2004)

¹¹ Mladen Vukmir, “Intellectual property Rights” in H. Vanhees (ed.), *International Encyclopedia of Laws - Intellectual Property 291* Vol. 2 (Wolters Kluwer (India) Pvt. Ltd, New Delhi, 2006).

¹² Rules for Uniform Domain Name Dispute Resolution Policy, Rule 1 *available at*: <https://www.icann.org/resources> (last visited on Feb 4, 2020)

4. Second Generation Domain Name Disputes:

ICANN introduced the registration of “new generic top-level domain” in the year 2012. The registration was approved in order to create alternatives to the first generation gTLDs like “.com”, “.net”, “.org” and other preexisting extensions. The purpose of these second generation TLDs was to “open up the top level of the Internet’s namespace to foster diversity, encourage competition, and enhance the utility of the domain name system (DNS).”¹³ Initially, gTLDs had been limited by ICANN to 22 (barring the country codes), the most common gTLD being “.com”. However, ICANN’s program to expand the number of top-level domains attracted a huge number (nearing about 1,930) of applications, resulting in more than 1,200 new gTLDs.

The introduction of these second generation gTLD has undoubtedly created a ruckus as “its deeply flawed justification, excessive cost and harm to brand owners.”¹⁴ Moreover, they have undoubtedly produced a profusion of legal disputes. Initially, the disputes majorly revolved around the second level domain names but with the expanded list of generic top level domain names, the risk of confusion and disputes involving the top-level domain names has also increased.

Are the Trademark laws sufficient to resolve domain name disputes?

Under the UDRP rules, most types of trade mark based domain name disputes must be resolved by agreement, court action, or arbitration¹⁵. The procedure is administered by the WIPO Arbitration and Mediation Center¹⁶. In India, we do not have any direct law to deal with the infringement of domain names but domain names may be granted protection as a trade mark or service mark under the provisions of the Trade marks Act, 1999. A person infringing a registered trademark will be regarded as liable for infringement of trade mark¹⁷ while someone misusing an unregistered trademark will be booked under passing off¹⁸.

But this does not mean that the dispute resolution process is free from any lacunae. There are many challenges that the traditional trade mark law has to face during the domain name dispute resolution.

- First and the foremost issue is of jurisdiction. Disputes regarding trade mark can be easily settled through the above-mentioned laws because there are no jurisdiction issues but internet knows no boundaries which makes the domain name disputes hard to settle.
- Second problem that arises is that trademarks, on one hand, are generally registered at the national level, the domain names are registered at the global level.¹⁹ On the territorial basis, two or more people who deal with different goods and services can hold similar trademarks but when it comes to internet, domain names cannot be shared.²⁰
- In addition to that every country has different set of laws with respect to settling disputes. When the dispute arises between residents of different countries, it poses a question as to which country’s law should be relied upon in order to settle the dispute.

¹³ Preamble of the ICANN’s gTLD Applicant Guidebook Version 2012-06-04.

¹⁴Coalition for Responsible Internet Domain Oversight (CRIDO) *available at*: <https://www.ana.net/content/show/id/crido> (last visited on April 1, 2020)

¹⁵ On October 24, 1999, the ICANN Board adopted a set of rules for Uniform Domain Name Dispute Resolution Policy known as the UDRP Rules. These rules set out the procedures and other requirements for each stage of the dispute resolution administrative procedure.

¹⁶ Internet Corporation for Assigned Names and Numbers ICANN has accredited several dispute resolution service providers. The WIPO Arbitration and Mediation Center (WIPO Center) is one such dispute resolution service provider.

¹⁷ The Trade Marks Act, 1999, s. 29

¹⁸ The Trade Marks Act, 1999, s. 27

¹⁹ Michael Blakeney and Fiona Macmillan, “Regulating Speech on the Internet” 1 *Digital Technology Law Journal* 1 (1999)

²⁰ Roger LeRoy Miller and Gaylord A. Jentz, *Management & E-Commerce - The Online Legal Environment* 62 (West Thomson Learning, Australia, 2002).

- Another factor is to decide as to which court the matter should be brought. In a situation where the trade mark and the domain name are registered in two different countries and both the complainant and respondent reside in different countries, it becomes a hindrance in resolving the dispute using legislative measures. Additionally, the enforceability of the decision given by a court of one country might not hold the same power in the other country.
- Next problem that the domain names pose to the application of traditional trademark laws is that unlike trademarks, domain names are not governed by international conventions or treaty. Therefore, lacking the legal harmonization needed between the countries.
- One of the elements needed to establish an infringement is to prove that the act was done “in bad faith”. Although certain grounds are given to ascertain whether bad faith is present or not, the trademark legislations do not define the term “in bad faith” exclusively and the Court has to apply the term “in bad faith” in a subjective manner while deciding a trademark-domain name dispute.

Conclusion:

With the increase in online businesses and e-commerce, came several unavoidable circumstances that led to serious concerns in the field of intellectual property rights. Although the violation of IP rights in the cyberspace is not extremely different from the conventional violation but the unique characteristics of the Internet, such as fast speed, cost and ease of access make it a great haven for the infringers.

It is also evident that the traditional principles of trademark law are not sufficient in regulating the domain names. It is for this reason that the alternate mechanisms for dispute resolution like UDRP were introduced. It cannot be denied that UDRP has provided a simplified and cost friendly way of resolving domain name disputes in the online world but steps need to be taken to make it better working at the territorial level. Traditional trade mark laws also need to be reshaped when applying them to these disputes.

The importance of domain names in the commercial usage of the internet cannot be denied. This extension of the ambit of trade mark in the cyberspace has given a huge opportunity to business houses to establish their global identity and promote their business in the cyberspace. Therefore, it becomes essential to develop a harmonious international law in addition to the protection offered by Trade mark laws for the protection of domain names.