

## CYBERSQUATING: NEED FOR REFORM IN INDIA

*Rahul Kumar*

Dr. Ram Manohar Lohia, National Law University, Lucknow

### INTRODUCTION

Intellectual property rights play an important role in modern day market economy, the growth of these IPs clearly shows the need for the protection of these IP rights, be it in real world or in the world of internet. One such IP among many others that we are going to discuss in this paper is Trademark in the internet world when infringed by way of cybersquatting. Trademark plays a compelling role in the territory of internet apart from the general importance that it already contains. It is very well established that Trademark is used to associate the product with the information and is familiar to the consumers and hence if the Trademark is absent then such information would have to be taken in some other way and can be a tiring process.<sup>1</sup> The internet nowadays is truly rebellious. With the introduction of the new policies by the Indian Government related to changing current scenario of India into the digitalised India, the policy reforms that were introduced to help the idea of Make in India. It has given a lot newer opportunity for the citizens of cyberspace, ones which were not there in the earlier world. With this versatility of internet there comes crime, conflicts, fraud in this world of internet. Everything related to internet is not praising, or even benign. Trademark owners use the internet for selling their products online or for any other purpose which also makes it vulnerable to infringement, dilution and anti-competitive practices.<sup>2</sup> There is a shift in the world from the age of Information technology to the age of Internet security, because everyone wants to secure their data and information because of the increase in the number of Cyber Crimes. Dishonest internet behaviour includes the infringement of trademark, can also be called as cyber squatters, individuals who register them an internet domain name containing the trademark of somebody else. The domain name can be used to help growing your business which should be enough for it to skew its way in the legal system. Scholars around the world are still discussing about how to characterize domain name especially in the context of their relationship with the trademark. The Indian Scenario even there being INDRP in picture is not good as it supposed to be because of the fact that its just a policy and not an applicable law.<sup>3</sup>

<sup>1</sup> Trademarks & The emerging concepts of cyber property rights by V.K. Unni at 04.

<sup>2</sup> Introduction to Internet law & Policy by Rodney D Ryder at 271.

<sup>3</sup> Article—cyber squatting: Modern day extortion, at 4

<sup>4</sup> <http://www.thegiga.in/LinkClick.aspx?fileticket=E4gQQpzzRPE%3D&tabid=589>.

India as of now does not have any legislation with regards to the cyber-squatting, which is an urgent need considering the increase in cyber-squatters. In America, Federal Trademark Dilution Act, 1995 and anti-cybersquatting consumer protection Act,1999 was passed to provide protection to the owners of the famous trademarks and it was anticipated that it will help to stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputation of others.<sup>4</sup>

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### CYBER SQUATTING: MEANING

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When putting it in a layman's word it would be defined as someone sitting on the property of someone else. When a person tries to gain advantage of the property of someone else by confusing others in thinking him to be the legitimate owner of that property. Herein, property would be Intellectual Property i.e. trademark and gaining advantage is by registering a domain name in the name of that trademark or similar to that even though it is someone else's trademark and then tries to sell that domain name to the rightful owner of the trademark at higher rate than the usual. The possibility of registering a domain name and reserving it even if you don't have anything to do with it is only done because of the first come first serve way of registering a domain name. This leads to the reserving of many well-known trade names, brand names, company names, etc. by individuals/corporations other than the ones with a genuine interest in the domain name, with a view to trafficking/doing business on the said domain name or offering the domain name to the genuine buyer.<sup>5</sup> Delhi High Court defined Cyber-squatting 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>6</sup>

It is not just done by way of registering the domain name before the trademark owner and selling to the owner at higher rate. There is other type of cyber-squatting i.e. typo-squatting wherein the domain name is registered similar to that of the famous trademark by way of omitting a letter or adding a letter. The question that arises among all this is whether the trademark is similar to domain name to give the trademark holder the protection in the world of domain name even if the function of domain name is totally different from that of trademark. There are arguments that are given from both the sides and taking in to consideration both the arguments can only it be said that trademark should or should not be given the same protection in the world of domain name. Domain name holders on one side states that the it is merely an easy to remember address for the IP numeric address and does not have any legal significance or any property rights attached to it, on the other hand the trademark owners argue that they registered the name under the trademark law for

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<sup>4</sup> Cyber Law in India by Dr. Farooq ahmad, at 151.

<sup>5</sup> Manish Vij v. Indra Chugh, AIR 2002 Delhi 243.

<sup>6</sup> Manish Vij v. Indra Chugh, AIR 2002 Delhi 243.

brand indication and domain name also helps in brand indication so they should get the right over that name even in the world of domain names.<sup>7</sup> In case of the trademark, customer gets an opportunity to look at the mark and the product and judge its quality face to face but this is not possible in case you're buying online product. Therefore, when trademark and domain name are similar to each other, then the customer may judge the product accordingly. This clearly shows that the function of domain name is restricted to easy access to IP numeric address but also has extended to the business of trademarks, their goodwill and reputation.<sup>8</sup> Taking into consideration all the things mentioned above this analysis can be drawn that the trademark owner should also have the right to the domain names that are similar to that of the name of their trademark.

It is characterized as an attempt to profit from the internet by reserving and later reselling or licensing domain name that is spelled the same as a pre-existing trademark, and demanding money from the trademark owner before the registrar will release the domain name. It can cause multiple injuries to the trademark owner, ranging from creating confusion; delay and inconvenience to the consumers to unfair advantage to the competitors.<sup>9</sup> In a press statement in 2018, Director of WIPO, General Francis Gurry also pointed out this matter of cyber-squatting and said that "By abusing trademarks in the Domain Name System, Cyber-Squatting undermines legitimate commerce and harms consumers. This is true especially where squatters use domain name to offer counterfeit foods or for phishing, as is seen in numerous WIPO cases. The availability of highly effective UDRP procedure is an indispensable support for the credibility of commerce on the internet and for protection against fraudulent practices".<sup>10</sup>

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## LEGAL RECOURSE FOR DISPUTE RESOLUTION

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India does not have any law or any provision in law that would deal with the matter of cyber-squatting. Indian legislature despite of having many chances fall short of incorporating the provisions into the existing laws for curbing the menace of cyber-squatting. There are plenty of effective laws that are used to curb the cyber-squatters and

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<sup>7</sup> The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting  
by Stacey H. King.

<sup>8</sup> What's in a Name? Disputes Relating to Domain Names in India by Swati Deva.

<sup>9</sup> First International Conference of the South Asian Society of Criminology and Victimology, at 74, "[http://books.google.co.in/books?hl=en&lr=&id=aWF8aT74t6gC&oi=fnd&pg=PA74&dq=cybersquatting+%2B+india&ots=jimKaURrbc&sig=EK\\_7coipROev2V\\_nyKKGxzsfFGM#v=onepage&q=cybersquatting%20%2B%20india&f=false](http://books.google.co.in/books?hl=en&lr=&id=aWF8aT74t6gC&oi=fnd&pg=PA74&dq=cybersquatting+%2B+india&ots=jimKaURrbc&sig=EK_7coipROev2V_nyKKGxzsfFGM#v=onepage&q=cybersquatting%20%2B%20india&f=false)

<sup>10</sup> "[http://www.wipo.int/pressroom/en/articles/2018/article\\_0001.html](http://www.wipo.int/pressroom/en/articles/2018/article_0001.html)

will be discussed in this paper and also how those laws can be referred by Indian legislature to form a law that would fight against the growing crime of cyber-squatting.

There are few number of dispute resolution body that are available around the globe, and they get their source from ICANN (The internet corporation for assigned names and numbers). ICANN implemented their dispute resolution policy known as UDRP (Uniform Dispute Resolution Policy), and get an authority as a dispute resolution provider, they must be approved by ICANN and must be aware about the policies, rules and need to apply before ICANN.<sup>11</sup> World Intellectual Property Organisation (WIPO), National Arbitration Forum (NAF), Asian Domain Name Dispute Resolution Centre (ADNCRC) and Czech Arbitration Court (CAC) are some of the dispute resolution providers that are available in today's world. These providers are authorized by ICANN and their policies are in conjunction with that of UDRP. India even though does not have any applicable law with regards to cyber-squatting but still handling such cases under the Trademark law and hence, trying to protect the rights of trademark owner. The supreme court in case of Satyam Infoway Ltd vs Sifynet Solutions Pvt. Ltd<sup>12</sup> has stated that "As far as India is concerned, there is no legislation which explicitly refers to dispute resolution in connection with domain names. But although the operation of the Trade Marks Act, 1999 itself is not extra territorial and may not allow for adequate protection of domain names, this does not mean that domain names are not to be legally protected to the extent possible under the laws relating to passing off". Laws related to infringement and passing off under Trademark Act, 1999 are being used to handle such cases. The court in N.R. Dongre v. Whirlpool Corporation<sup>13</sup> said that "a man may not sell his own goods under the pretence that they are the goods of another man". India as of now also have the Indian Domain Name Dispute Resolution Policy (INDRP) but does not hold any authority of law and is merely a policy recommendation for eradicating the cyber-squatters. This was policy recommendation is on the lines of UDRP and hold almost similar recommendations. The IN Registry has published the INDRP but is not subscribed with the UDRP <sup>14</sup>even though it is made on the same lines as that of UDRP. There are plenty of cases that are filed under INDRP in cases of cybersquatting from 2006 until today. According to the INDRP the complainant must prove:

- The disputed domain name is identical or confusingly similar to a trademark or service mark in which complainant has rights;

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<sup>11</sup> The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting  
by Stacey H. King.

<sup>12</sup> Satyam Infoway Ltd vs Sifynet Solutions Pvt Ltd., AIR 2004 SC 3540.

<sup>13</sup> N.R. Dongre v. Whirlpool Corporation, 1996 PTC (16) 583 (SC).

<sup>14</sup> A Survey of the Prominent Effects of Cybersquatting in India by Charan Piyush.

- The respondent has no rights or legitimate interests in the disputed domain name; and
- The disputed domain name has been registered or is being used in bad faith.<sup>15</sup>

The latest case that was filed under INDRP is *Le Creuset v. DingDing*<sup>16</sup>, judgment was awarded on February 27, 2018. The complainant contend that the disputed domain name is similar to its trademark “Le Creuset”; the respondent has no rights or legitimate interests in the Disputed Domain Name, and the Disputed Domain Name has been registered or is being used in bad faith. The decision was given ex parte. Complainant fulfilled all the requirement of INDRP for there to be a valid dispute and the domain name was ordered to be transferred to the complainant. With here being no applicable dispute resolution policy, WIPO is used to resolve disputes by many around the country. Looking at the report that was published by WIPO about the total number of cases that were registered to the organisation it can clearly be noted that the number of cases is growing every year. There were total of 43 cases that were registered under WIPO from India.<sup>17</sup>

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## POSSIBLE REFORMS IN INDIA

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There are certain reforms that can be done by the Indian government in order to curb cybersquatting. With the current government accentuating more on certain policies such as Make in India, certain moves like Increasing Foreign Direct Investment in India, changing the country into a digital India, wherein everything is done online, with all those steps being already take more and more domain name being registered every following day, with such bounce in domain name registrations government should get ready to accept the fact that there will be certain problems and backdrops that would also come with such moves, one of those problems is what we discussed today i.e. cyber-squatting. India needs to come up with certain reforms to the existing ideas being used to stop cyber-squatters. Certain suggestions to the already existing ideas are discussed herein.

There are three changes that can be used to help curb the cyber-squatters. Any one of these three changes can help the current scenario regarding domain name disputes. These are:

### 1. Making some changes in the already existing dispute resolution policy i.e. INDRP

There are certain limitations that are there in the current INDRP. This dispute resolution policy only deals with the domain name with the “.in” TLDs. Domain name consists of different parts, one of them is the part called top level domain name. The top-level domain name gives idea to the customer as to what the site may contain, example for top level

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<sup>15</sup> “<https://registry.in/INDRP%20Rules%20of%20Procedure#main-content>”.

<sup>16</sup> “<https://registry.in/system/files/lecreusetin.pdf>”.

<sup>17</sup> “[http://www.wipo.int/export/sites/www/pressroom/en/documents/pr\\_2018\\_815\\_annexes.pdf#an nex4](http://www.wipo.int/export/sites/www/pressroom/en/documents/pr_2018_815_annexes.pdf#an nex4)”.

domain names is '.com'. Top level domain names are of two types Generic top-level domain name and country code top level domain name (gTLD and ccTLD respectively). The gTLDs are administered through the Internet Corporation for Assigned Names and Numbers (ICANN) and ccTLDs are administered by the country that the domain name will represent<sup>18</sup>. For example, www.domainname.in wherein .in is the top-level domain name (TLDs) used for country India and are also referred to as ccTLDs (Country code Top level domains). There are other country based top level domain names which are used in their respective countries. INDRP with being effective in case of ".in" ccTLD can increase their area of dispute resolution policy to other domain names that are registered using different top-level domain name. With such a move, INDRP will become more effective in cases of domain name disputes. To make INDRP more effective on the larger scale, they can also apply before ICANN to get authority for dispute resolution policy. They can also put forward certain reforms in relation to the registration of domain name, certain norms that would help curb the registration of identical or confusingly similar domain names that would help curb this menace at the very stage of registration.

## **2. Legislation drafting a new law specially to deal with cyber-squatting.**

India can also draft a new legislation that would deal with the matters of cyber-squatting. India already have a dispute resolution policy that are in lines with rules and procedures of UDRP which is based in United States of America. They can also try to draft a legislation in lines with that of American legislations (Federal Trademark Dilution Act, 1995 and Anti-Cybersquatting Consumer Protection Act, 1999) that are there to stop the domain name disputes. USA came up with these legislations when use of internet was changing drastically in their country. After considering the change in India related to the internet and domain name registrations, steps of drafting a legislation would go a long way.

## **3. Making amendments either to the Trademark Act, 1999 or Information Technology Act,2000.**

Other possible reform that can be done is by entering a provision related to cyber-squatting in Trademark Act, 1999 or in the IT Act, 2000. Indian Courts with their being no laws protecting the rights of trademark owners in case of domain name disputes are using the remedy available in the trademark law i.e. action for passing off and infringement. The backdrop of using the action of passing off under the Trademark Act, 1999 is that it is not extraterritorial which limits its ability to provide help in every case that comes in front of the court. Amending the current Information Technology Act, 2000 in favour of cyber-squatting in such a way that it provides for pre-conditions to be fulfilled in case of registering a domain name and if any dispute arises after the registration of the domain

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<sup>18</sup> The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting by Stacey H. King.

name then remedy that would be available to the affected person. This type of amendment in either the Trademark Act, 1999 or the Information Technology Act, 2000 would help the courts in dealing with such matters more effectively rather than interpreting the already existing Trademark law to provide justice to the complainant. It cannot be said that the Indian courts are not able to provide justice to the affected trademark owners in case of domain name disputes. Indian Courts, without there being any effective law relating to cyber-squatting are able to provide justice to the affected but in order to do that they also refer to many already established principles and judgments given in other countries. Judgments given by the Indian Courts are referring to the judgments awarded in other countries as an authority even though they have a persuasive value in India. Judgments awarded by Indian Courts in the cases related to the domain name disputes, can be regarded as the law of the land in that particular field and taking into consideration those judgments and the law applicable in other countries related to cyber-squatting, India can form a legislation or just a provision by way of amendment in the Trademark Act, 1999 or Information Technology Act, 2000 that would help the Indian Courts in establishing the effective jurisprudence related to cyber-squatting.