

**INTERNATIONAL JOURNAL OF LAW  
MANAGEMENT & HUMANITIES**  
**[ISSN 2581-5369]**

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**Volume 3 | Issue 3**

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**2020**

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# Cyber Squatting: -A study of Legal framework in India

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## ABSTRACT

*The growth of Commercial Activities on the Internet in the present era of information and communications technology makes Domain Names valuable business assets and a Trademark in the internet world. Due to the rapid growth, domain name disputes have increased in India. There have been increasing instances of domain name abuse and misuse in the form of cyber-squatting. Indian Courts have held the domain names as online trademarks and business identifiers. However, due to the absence of a specific law, the courts have not been consistent in imposing fines and giving relief to the plaintiffs. Therefore, a comprehensive law against cyber-squatting that grants adequate protection to domain names is the need of the hour in India. This Research Paper focuses on Judicial decisions and the current legal framework relating to cyber Squatting in India. It also gives a global perspective on Cyber Squatting laws and International framework. At the same time, the research paper highlights the need for a specific Domain Name Protection Law in India. This Research Paper Aims to find what are the laws that are currently in place in India that protect Domain Names, the issues with them, understanding the International Framework and understanding the need for a specific Domain Name Protection Law in India*

*Key words: Domain Name, India, cyber-squatting, Trademark, Indian Laws*

## I. INTRODUCTION

Internet has been a major growth catalyst for the world in the modern era and can be equaled with the industrial revolution that took place in the 19<sup>th</sup> century. Internet was initially just seen as a communication tool but within only a few years it has become one of the most important tools for modern day business transactions, government policies and social interaction. Internet has provided opportunities to millions of people around the world and also brought liabilities to many especially those in the field of intellectual property and data privacy. Domain Names are an important aspect of how we use Internet. Cybersquatting is a menace against the rights of Domain Name Holders. Cybersquatting instances have increased over the last decade and

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has had devastating effects and therefore become important to understand it in depth. With the advancements in Internet technology and rapid growth of E-commerce in India, Websites have become an important channel of commercial activities for businesses around the world. It becomes quite imperative that in such a modern era the Domain Names which refers to the name of a website and the address should have a legal protection under a specific law from practices like Cybersquatting. Domain Names have become a valuable asset for the businesses.

## **II. DOMAIN NAME: A MODERN IDENTITY OF BUSINESS**

Just like we have an address for our homes and offices in the same way domain names are simple forms of addresses on the Internet so that a person can browse and search easily. Domain corresponds with various Internet Protocols (IP) number that connect with various computers around the world and deliver data to correct addressee using routing systems. Each and Every domain name in the internet world is unique and no two websites can have the same domain name. To illustrate, if someone types in [www.example.com](http://www.example.com), it will go to the domain name holder's website and no one else's website.

Domain Names can consist of combination of Letters and numbers and it can be used in combination of the various domain name extensions, such as .com, .net,.org and many more. Domain Name Extensions can be classified into two types

- 1) Generic Top Level Domains (gTLDs) such as .com, .org, .biz or .info
- 2) Country Code Top Level Domains(ccTLDs) such as .in (India),.ch (Switzerland),.fr (France) or .sa (South Africa)

The introduction of new domain Name extension has been a subject of intense debate for a number of years. The ICANN (Internet Corporation for Assigned Names and Numbers) gives recognition to Domain Names and different Extensions. In the recent years there have been developments that allow the registration of domain names written in non-ASCII characters such as Arabic, Chinese etc. All of this means that a cybersquatter can easily get a website registered that is identical to that of a trademark owner just with a different TLD like. .ooo or .app. These TLDs have a very few websites registered with them and thus increases the chances of a cybersquatters easily registering a popular domain name with these TLDs

It is quite essential for everyone to register a domain name before one can use it on the Internet. Domain names can be registered easily by approaching any ICANN accredited registrar. After Registration one can use the Domain Name on the Internet. Domain name are needed to be renewed on a yearly basis and it is quite essential to do it very swiftly in order to avoid it getting

registered by cybersquatters.

Besides locating sites, domain names play an important role of identifying businesses and their goods and services on the Internet, which gives them an edge over their competitors. It is a generally accepted practice that companies always desire to obtain such domain names which can be easily identified by people with their established trademarks. This helps the public to easily identify the company as there is no physical contact that is present between the two of them. Domain names and trademarks are closely connected with each other and are an important part of an organization's virtual identity

In the Case of *Cardservice Int'l v McGee* the court expressed that "A customer who is unsure about a company's domain name will often guess that the domain name is also the company's name"<sup>2</sup>

In *MTV Networks Inc v Curry* the court observed that "A domain name mirroring a corporate name may be a valuable corporate asset, as it facilitates communication with a customer base"<sup>3</sup>

### III. CYBER SQUATTING: MEANING

Cyber Squatting is the practice of registering domain names with the registrar where the person registering it does not have any interest in the domain but registers it in a hope that it can be sold at a much higher price to earn profit. Usually People register Domain Names that correspond to the identity of well-known brands that are easily identifiable and thus hope to sell it for a profit. It is an offence that is related to the registration of a domain name by an entity or a person that does not have an inherent right or any identical trademark registration in its favour, and is done with the sole intention to sell it to the legitimate user of the domain name so as to earn illegal profits.

The term "cybersquatting" has been defined by the Indian courts as "*an act of obtaining fraudulent registration with an intent to sell the domain name to the lawful owner of the name at a premium*".<sup>4</sup>

### IV. TYPES OF CYBERSQUATTING

**1) Typo squatting:** -Typo squatting which is also called URL Hijacking. It is a form of Cybersquatting wherein if the Internet users make any typographical errors while inputting the

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<sup>2</sup> *Cardservice, Int'l v. McGee*, 950 F. Supp. 737 (E.D. Va. 1997); <https://law.justia.com/cases/federal/district-courts/FSupp/950/737/1971145/>

<sup>3</sup> *MTV Networks v. Curry*, 867 F. Supp. 202 (S.D.N.Y. 1994); <https://law.justia.com/cases/federal/district-courts/FSupp/867/202/1456301/>

<sup>4</sup> *Manish Vij v. Indra Chugh*, AIR 2002 Del 243.; <https://indiankanoon.org/doc/492412/>

web address in the browser this leads them to a substitute website which is created by cybersquatters for earning money.

**2) Identity Theft:** - Domain Name Registrations on the Internet are for a fixed period of time. If the Owner of the Domain Name does not re-register or renew the domain name with the Domain Name registrar prior to the domain's expiration date, then the domain name can be purchased by anybody else from anywhere around the world after it expires. The registration at this point in time is considered to be lapsed. A cyber squatter may use an automated software tool that can be used to register the lapsed Domain name the instant it is lapsed. The other ways of Identity theft of a domain name could be extension exaggeration and alert angling.

**3) Name Jacking:** - This type of squatting is accomplished by purchasing an individual's name as a top-level domain name. For e.g. if a person name jacks "John Jones" he would purchase a domain name like johnjones.com. Setting up such a website allows the domain name purchaser to capitalize on any searches done for that name on search engines like Google and Bing. These "name jacked" websites are typically set up by people to sell high-profit items such as eBooks or various business opportunities and require only a few purchases to be profitable. As the name jacked domains are usually set up using non-trademarked names and because they have a purpose other than just selling the domain name back to an individual, they circumvent most laws around the world.

## **V. LEGAL SCENARIO IN INTERNATIONAL CONTEXT**

### **A. Cybersquatting in the United States**

The first case relating to cybersquatting in United States can be traced back to 1994 and the cases have multiplied ever since in all parts of the world. In the United States Cybersquatting was started and practised immensely by a person named Dennis Toeppen. He used to register various domain names for known trademarks and eventually became unsuccessful in defending those when trademark owners sued him.

The cases of *Intermatic V. Toeppen*<sup>5</sup> and *Ponavision V Toeppen*<sup>6</sup> 141 F.3e 1316 (1998) are considered to be the landmark judgements wherein the court gave decision in the favour of plaintiff and observed that Mr Toeppen's conduct caused trademark dilution since the registration of the domain names such as *intermatic.com* lessened the capacity of Intermatic to identify and to distinguish its goods and services on the internet. Another reason that was

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<sup>5</sup> *Intermatic V. Toeppen* 947 F. supp 1227 (N.D.Ill. 1996); <https://law.justia.com/cases/federal/district-courts/FSupp/947/1227/1453803/>

<sup>6</sup> *Ponavision V Toeppen* 141 F.3e 1316 (1998); <https://casetext.com/case/panavision-international-lp-v-toeppen>

given by the court was that the use of the name Intermatic on the respondent's web page diluted the actual value of the mark. These two landmark judgements have played a vital role in the formulation of the Anticybersquatting Consumer Protection Act (ACPA). This act played a key role in providing protection to trademark owner. The immediate effect was seen in the year 2000 when another well-known cyber squatter John Zuccarini lost two suits under the new act and the federal courts ordered him to pay huge amount of statutory damages that were amounting to US \$ \$500,000 plus attorney's fees.

Maruti Udyog, which is India's largest automaker had filed a case in the year 2006<sup>7</sup> against Rao Tella who was deemed as a cybersquatter for as many as three times by WIPO. In this case the defendant i.e. Rao Tella had registered a domain name [www.maruti.com](http://www.maruti.com). Maruti Udyog challenged this in the US Court. The US district court held that since Maruti Udyog does not manufacture or sell its cars in the US, therefore the Anticybersquatting Consumer Protection Act (ACPA) would not be applicable on it. Although the WIPO arbitration panel had passed an order in the favour of Maruti Udyog, it was not binding upon United States district court.

However, If the accused cybersquatter is able to demonstrates to the court that he had a reason to register the domain name other than to sell it back to the trademark owner for a profit, then a court will probably allow him to keep the domain name for his use,

### **B. World Intellectual Property Organization (WIPO) on cybersquatting**

The World Intellectual Property Organization since the year 1999 has provided an arbitration system wherein a trademark owner can attempt to claim a squatted site.

Trademark owners filed a record 3,447 cases under the Uniform Domain Name Dispute Resolution Policy (UDRP) with WIPO's Arbitration and Mediation Center in 2018 as businesses reacted to the proliferation of websites used for counterfeit sales, fraud, phishing, and other forms of online trademark abuse.<sup>8</sup>

### **C. Uniform Domain Name Dispute Resolution Policy (UDRP)<sup>9</sup>**

It is a process developed by the Internet Corporation for Assigned Names and Numbers (ICANN) which is the domain name regulatory authority. It is the first truly global online dispute resolution system. The Uniform dispute resolution policy has been put in place for the purpose of resolution of disputes relating to the registration of domain names. UDRP is

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<sup>7</sup> Maruti.com et al. v. Maruti Udyog Ltd. et al., U.S. Dist. Ct. No. L-03-1478; <https://casetext.com/case/maruticom-v-maruti-udyog-ltd>

<sup>8</sup> [https://www.wipo.int/pressroom/en/articles/2019/article\\_0003.html](https://www.wipo.int/pressroom/en/articles/2019/article_0003.html)

<sup>9</sup> <https://www.icann.org/resources/pages/policy-2012-02-25-en>

generally incorporated into the domain registration agreement and sets out the clear terms and conditions in connection with a dispute between the registrant and any party other than the registrar over the registration of domain name and use of an Internet domain name. The UDRP has set clear guidelines for resolving cybersquatting and while registering a domain name, the registrant also agrees to submit to proceedings and are commenced under Internet Corporation for Assigned Names and Numbers (ICANN) and the Uniform Domain Name Dispute Resolution Policy (UDRP). The advantage of UDRP is that it is a streamlined process with one set of filing from each side and has Due process safeguards. There is also direct enforcement of the decision.

In January 2015 popular internet company eBay won one of the largest cybersquatting cases, winning ownership of more than 1000 domains that had used its trademark<sup>10</sup>

## **VI. LEGAL SCENARIO OF CYBERSQUATTING IN INDIA**

A lot of companies in India have also faced the brunt of cybersquatting in the recent past. India has a very different legal position from that of the developed countries. India does not have a Domain Name Protection law to deal with Cases of Cybersquatting. The Indian Courts have dealt with cases relating to cybersquatting using Trade mark Act, 1999

The Hon'ble Supreme court has expressed in the case of Satyam Infoway Ltd vs Sifynet Solutions 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 extraterritorial 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".<sup>11</sup>

**In India, victims are provided with these options to combat Cybersquatting.**

- 1) By sending cease-and-desist letters to the Cybersquatters.
- 2) Initiation of arbitration proceedings under ICANN'S rules.
- 3) Suit for Remedy under Law of Passing off and Trade Marks Act, 1999
- 4) Complaint under INDRP

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<sup>10</sup> eBay Inc. vs Du Hongxia WIPO Case no. D2014-2015;  
<https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2014-2015>

<sup>11</sup> Satyam Infoway Ltd vs Sifynet Solutions AIR 2004 SC 3540; <https://indiankanon.org/doc/1630167/>

## VII. INDIAN CASES RELATING TO CYBER SQUATTING

### a) The remedy under the law of passing off

#### **Yahoo! Inc. v. Akash Arora**

It is the very first case that was reported in India relating to the practice of cybersquatting. Here, plaintiff was the registered owner of the popular domain name “yahoo.com”. The defendant had launched a website which was nearly identical to the plaintiff’s renowned website and also provided similar kind of services. The respondents had contended before the court that as Yahoo was not trademarked in India, there is no infringement of trademark, as it didn’t fall under the meaning of goods under the Indian Trade Marks Act, 1958. However, Plaintiff successfully obtained an order which restrained the defendants from dealing with the domain name “yahooindia.com” or any other trademark that was similar to the trademark of the plaintiff.

The Court in this case observed that “it was an effort to trade on the fame of yahoo’s trademark. A domain name registrant does not obtain any legal right to use that particular domain name simply because he has registered the domain name, he could still be liable for trademark infringement.”<sup>12</sup>

### b) Recognition of domain name as registered trademarks

#### **Rediff Communication v. Cyberbooth & Anr<sup>13</sup>**

The Bombay High court in this particular case observed that “the value and importance of a domain name is like a corporate asset of a company.” Here the defendant had registered a domain name “radiff.com” which was similar to the popular website rediff.com. The court gave the decision in favour of plaintiff. The court further proceeded to express that a domain name is significantly more than a web address and all things considered, is qualified for protection equivalent to that afforded to a registered trademark.

#### **Tata Sons Ltd v. Monu Kasuri & others<sup>14</sup>**

In another such case where the defendant had registered a number of domain names bearing the name Tata. It was expressly held by the court that the domain names are not only addresses but are also trademarks of companies and that they are equally important.

### c) Remedy by transfer

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<sup>12</sup> Yahoo! Inc. v. Akash Arora 78 (1999) DLT 285; <https://indiankanoon.org/doc/1741869/>

<sup>13</sup> Rediff Communication v. Cyberbooth & Anr 2000 PTC 209; <https://indiankanoon.org/doc/806788/>

<sup>14</sup> Tata Sons Ltd v. Monu Kasuri & others 2001 PTC 432; <https://indiankanoon.org/doc/542243>



### **SBI Card and Payment Services Private Limited vs Domain Active Property Ltd<sup>15</sup>**

In this case which was taken up by the WIPO Administrative panel where SBI Card and Payment Services Private Limited had filled a case against an Australian Entity on cybersquatting. Domain Active Pty Limited had registered the domain [www.sbicards.com](http://www.sbicards.com) which was similar to the products of SBI Card which is subsidiary of State Bank of India. The Administrative Panel held that the Australian entity had registered the domain name in Bad faith and was trying to later pitch it to State Bank of India for a Higher Price. The Domain Name could have attracted attention from public because of its affiliation to SBI Cards products and services. The Panel ordered that the Domain name [sbicards.com](http://sbicards.com) be transferred to the Indian Bank

### **Indian Oil Corp Vs Nitin Jindal <sup>16</sup>**

The disputed domain name [indianoil.org](http://indianoil.org) was similar to the complainants registered trademark “INDIAN OIL” except for the addition of .org designation. The “INDIAN OIL” Trademark is well known and has a significant reputation attached to it. The ex-parte order that was passed by WIPO administrative panel sole member Christopher J Pibus, who said that Indian Oil Corp has the exclusive right to use the domain name as it is a well-known company and directed Nitin Jindal to transfer ownership of the website.

### **d) IN Dispute Resolution Policy (INDRP) <sup>17</sup>**

India has its own country specific domain name extension or Country Code Top Level Domain in the form of “. In”. All the disputes that arise under the .in top-level domain is operated and adjudicated under the authority of National Internet Exchange of India (NIXI). Hence, all domain name or cybersquatting disputes that are pertaining to .in domains are handled by the .IN Dispute Resolution Policy and the specified INDRP Rules of Procedure. As per INDRP Rules of Procedure, any person who considers that a registered domain name conflicts with his legitimate rights or interests may file a complaint to the .IN Registry. It can be filled on the following premises:

1. the Registrant’s domain name is identical or is confusingly similar to a name, trademark or service mark in which the Complainant has legal rights
2. the Registrant has no rights or legitimate interests in respect of the domain name

<sup>15</sup> SBI Cards and Payment Services Private Limited v. Domain Active Pty. Ltd. Case no. D2005-0271; <https://www.wipo.int/amc/en/domains/decisions/html/2005/d2005-0271.html>

<sup>16</sup> Indian Oil Corporation Limited v. Nitin Jindal WIPO Case No. D2010-2003; <https://www.wipo.int/amc/en/domains/decisions/text/2010/d2010-2003.html>

<sup>17</sup> <https://www.registry.in/IN%20Domain%20Name%20Dispute%20Resolution%20Policy%20%28INDRP%29>

3. the Registrant's domain name has been registered or is being used in bad faith.

It brings the domain name issue to a fast track dispute resolution procedure. Under NIXI, the IN Registry is the one which works as a self-governing body with an essential duty regarding maintaining the .IN ccTLD (country code top-level domain) and guaranteeing its operational strength, reliability, as well as security. It shows the different components of the new policy that has been set out by the Government of India and its Ministry of Communications and Information Technology, Department of Information Technology.

#### **e) Cases under Indian Domain Name Dispute Resolution Policy**

##### **YouTube LLC v. Rohit Kohli<sup>18</sup>**

In this case the defendant had registered a domain name [www.youtube.in](http://www.youtube.in) which is similar to well-known trademark which lies with the complainant which is YouTube LLC. The complainant had presented documents representing that he had applied for the trademark in various nations and even in India. The Domain Name was phonetically and conceptually matching with that of the complainant and therefore the board ordered that the domain name be transferred on payment of necessary charges to the registry

##### **Vodafone Group Plc v. Rohit Bansal<sup>19</sup>**

The Arbitrator in this case found that the element of bad faith is established on the part of the Respondent if the Complainant is able to prove his rights in the trademark VODAFONE. The panel held that the Respondent had registered the domain name "vodafone.co.in" intentionally in bad faith for selling it to the Complainant and making money from such a sale. The panel in this case ordered the transfer of the domain name to the Complainant.

It is also important to understand that both UDRP and INDRP do not ouster the jurisdiction of a civil court in India and, therefore, if the aggrieved party intends to seek compensation, then a complaint can be filed with the appropriate civil court as the remedies that are available under common law are quite exhaustive. The civil court may usually pass an order under the Common law of passing off, and thereby grant a permanent injunction against the wrongful user of the domain name.

### **VIII. NEED FOR A DOMAIN NAME PROTECTION LAW**

Cybersquatting cases in India are on a rise. Trademark Owners may face huge losses due to activities like Cybersquatting and the current set of procedures are not adequate and definitive.

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<sup>18</sup> YouTube LLC v. Rohit Kohli Case no. INDRP/42; [https://www.registry.in/show-doc?id=youtubeco\\_0.pdf](https://www.registry.in/show-doc?id=youtubeco_0.pdf)

<sup>19</sup> Vodafone Group Plc v. Rohit Bansal INDRP/052; [https://www.registry.in/show-doc?id=vodafone\\_0.pdf](https://www.registry.in/show-doc?id=vodafone_0.pdf)

The Information Technology Act, 2000, Trademarks Act, 1999 or the Arbitration Act, 1996, do not have a definition for the term “cybersquatting” In India.

Therefore, there is an Immediate Need for a Definite Domain Name Protection Law to combat Cybersquatting and to punish the offenders. In this era where websites have become an important asset for the organizations it becomes imperative that we have adequate protection under law for Domain Names. There is a need for a law which helps in protecting the Intellectual Property of trademark owners in the virtual world from the menace of cybersquatters. Due to the absence of a specific law, the courts have not been consistent in imposing fines and giving relief to the plaintiffs. A comprehensive law against the activities of cyber-squatting that grants adequate protection to domain names is need of the hour in India. The new law should contain legal solutions for the trademark owners against the defendants so that it becomes easy for the plaintiff to obtain statutory damages and gain compensation for the damages for registering Domain Name in bad faith.

The Domain Name Protection Law will help in curbing the menace of Cybersquatting and trademark owners will have a sense of security for their Domain Names. Enactment of ACPA in the US has significantly helped in reducing the Cybersquatting instances in the US and has imposed heavy fines on the squatters

The law on Domain Name protection in India should define the term “Cybersquatting” and the other types of domain name frauds like Typo squatting & Name Jacking so that the courts do not have to interpret these definitions using judgements from foreign jurisdictions. It should contain provisions that provide for imposition of fines and providing adequate relief. Since time is a crucial factor in these disputes as trademark owners may face huge losses therefore the new law should provide for speedy disposal of cases.

Apart from enacting a new law, the existing rules under .in domain name dispute resolution policy (INDRP) also need to be revamped. The rules under INDRP should be made compliant with the Uniform Domain Name Dispute Resolution Policy (UDRP). The arbitration procedure under INDRP is fraught with many unnecessary procedural norms that need to be simplified. They also differ on the domain names in many places. Therefore, it is important to make INDRP compliant with the UDRP and to give it the shape of law.

## **IX. CONCLUSION**

Cybersquatting is a menace that is growing rapidly and this menace has no territorial boundaries. Cybersquatters have impacted the fortunes of businesses around the world. Cybersquatting and related activities have prompted governments across the world to look into

this phenomenon in a very serious manner. WIPO has played an important role in solving disputes and evolving concrete principals in this field. Developed nations like USA have enacted strict laws on cybersquatting like Anticybersquatting Consumer Protection Act (ACPA).

Indian companies and trademark owners have faced instances of cybersquatting since the internet came to the subcontinent. The Indian Courts have decided many cases relating to cybersquatting and have tried to provide relief under Trade mark Act and law of passing off. It is imperative for the parliament to enact a domain name protection law that deals with cases of cybersquatting and provides adequate relief to the trademark owner. The Introduction of .IN Dispute Resolution Policy (INDRP) is a step in the right direction by the government.

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