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Intellectual Property and Cyberspace Jurisdiction: Where the Place for Action Lies?

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ABSTRACT

The high rate of progression in information and technology is accompanied by an exponential increase in the rate of cyber offences especially embracing the intellectual property regime. The cyberspace jurisprudence gains attention because of the conflict in the traditional litigation approach and the requirement of the unconventional mechanism to resolve disputes novice in nature arising out of the technological advancement. Where multiple transactions occur in a series of a single thread of transactions, the most important issue that emanates from the discussion is the appropriateness of the jurisdiction sought for the resolution of the dispute. In the light of the same, this paper attempts to analyse the application of the traditional approach of seeking jurisdiction for the determination of intellectual property related cyberspace cases and the issues incidental to it.

Keywords: Intellectual property, cyberspace offences, cyberspace jurisdiction

I. INTRODUCTION

The emergence of the internet and the rampant use of e-commerce have opened the doors for a host of issues. These issues have escalated from conventional offences to non-conventional, cyber offences including piracy, cyber fraud, cyberstalking, theft of copyright, disclosure of trade secrets etc. The development in cyberspace has raised pressures over intellectual property (here onwards IP). The courts are seen to be grappling with the jurisdiction issues of IP in the cyber world.

Courts, while applying the traditional jurisdiction approach to IP matters, often determine questions like the nature of the jurisdiction applicable, whether territorial or pecuniary or subject matter-oriented, to entertain the dispute. The seamless nature of the internet has often complicated the issue of the application of 'territorial' jurisdiction, considering the borderless spreading of the internet without territorial markings. Therefore, the internet doesn't take into account the borders separating regions and countries. The rapid developments in information

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and technology have raised the potent question as to – at which ‘place’ such information is ‘held’.

IP rights are geographically limited, meaning that in the state where an IP registration takes place, infringement of the rights of the IP holder is prevented within that territory. IP rights being exclusive in nature block any kind of infringement from any jurisdiction outside the concerned state. The issue in the enforcement of rights arise not where the goods are bought and sold within the same territory but when the rights of IP holder granted in one state cannot be enforced in a foreign state where the infringement has happened or where the infringer resides. These issues become complicated in the virtual world as the transmission of goods and services can easily happen across countries over the internet, unlike physical transactions of the IP.

The cyber jurisdiction issue is better explained in the following example.² The good to be bought is a copyrighted song in an MP3 digital form. The procedure begins with ‘uploading’ of the song in one territory, held by a server in another territory, promoted and advertised on the website of another service provider in another territory, ‘bought’ through a click and pay service in another jurisdiction and finally ‘downloaded’ in some other territory. The entire transaction is the sale of a pirated version of the song, which is an infringement of the copyright vested in that song. Now the potent question that arises is: does the Court in every jurisdiction, where the transaction happened in parts, have the power to entertain the dispute? Similarly, in many instances, it is seen that before a movie is released, it is uploaded on the internet or after a book is launched, its pirated version gets available online. In such situations, it becomes very difficult to determine the jurisdiction.

The high accessibility that the internet offers puts people in a position to hack accounts of big enterprises, corporate bodies, individuals and steal their confidential information, which is very valuable for their growth and functioning. In such cases, too, it becomes very complicated to fix the jurisdiction for contesting the case.

The failure of the nations to efficaciously regulate the internet transactions starting or ending within their territory arises from the very nature of technology itself. Where countries can effectively regulate transactions happening within their physical, political, and geographical territories separated by borders, the borderless cyberspace dominated by technology is continuously changing, posing several threats and challenges. Wendy Adams, a legal scholar,

² Justice S. Muralidhar, *Jurisdictional Issues in Cyberspace*, 6 THE INDIAN JOURNAL OF LAW AND TECHNOLOGY 1, 3-4 (2010), (May 10, 2020, 12:15 AM) <http://docs.manupatra.in/newsline/articles/Upload/7560B77C-BA0B-4A15-9AEC-F763F027B0A9.pdf>.

sums up by saying that: 'internet was created differently in comparison to a physical location. A 32-bit Internet Protocol (IP) address in an Internet communication system is the most proximate equivalent to a physical location (which is easily locatable on a geographical set-up). This 32-bit number allows communication between computer networks. Unlike a physical location to be traced, a computer network doesn't require a street or a city name to locate another network; the 32-bit number does the required communication. This fundamental inconsistency between the geopolitical field, its legal administration and the IP address function of network management make it difficult (though not impossible) to impose local restrictions on the global diffusion of information.'³

The e-business world provides umpteenth opportunities besides posing risks and pressures. Due to the ever-growing importance of cyberspace and the meteoric speed with which virtual business is establishing itself, it becomes pertinent to have efficient, practical laws to regulate the transactions happening over the internet and protect the rights of the holders from infringement. Since the virtual world is majorly dominated by IP, therefore, it becomes important to discuss the issues related to IP jurisdictions and find out the probable solutions to deal with the same. Therefore, in the present paper, the author discusses the jurisdictional issue related to IP in cyberspace, the international stand on it, and how have Indian Courts tried resolving such disputes. The paper analyses how the courts have attempted to 'localise' the transactions in IPR matters while discussing the personal jurisdiction theory and the subject matter jurisdiction concept.

II. CURRENT POSITION IN INDIA

In a recent 2015 judgment, the Apex Court in the case of *Indian Performing Rights Society Ltd. v. Sanjay Dalia & Anr.*⁴ Analysed the provisions of Section 62(2) of the Copyright Act, 1957 and Section 134 (4) of the Trade Marks Act, 1999 vis-à-vis Section 20 of the Code of Civil Procedure, 1908. This judgment tried to curb the misuse of S. 62(2) and S. 134(4) for instituting suits on the grounds of 'branch offices' in cases where the cause of action has as such not arisen. While examining the above provisions, the Apex Court held that S. 20 of the Code of Civil Procedure, 1908 provides for the institution of suits where the defendant resides or where the cause of action arose.

³ Wendy A. Adams, *Intellectual Property Infringement in Global Networks: the Implications of Protection Ahead of the Curve*, 10 INT'L J.L. & INFO. TECH 71 (2002), (May 20, 2020, 1:00 AM) https://www.researchgate.net/publication/31471080_Intellectual_Property_Infringement_in_Global_Networks_The_Implications_of_Protection_Ahead_of_the_Curve.

⁴ *Indian Performing Rights Society Ltd. v. Sanjay Dalia & Anr.*, (2015) 10 SCC 161 (India).

Section 20 of CPC, 1908 allows the institution of the suit at any place where the defendant or in case of more than one defendant, any defendant voluntarily resides or works for profit or does business or where the cause of action arises either wholly or in parts.⁵ This rule for the fixation of jurisdiction imposes difficulty in IP matters arising in a digital world because of the difficulty in ascertaining the place of the cause of action or the defendant's place of residence. The entire issue complicates further when corporations are involved due to their online presence and location of offices at different places.

So, for the purpose of amending and consolidating the copyright laws, the matter was referred to the Joint Committee of the Houses.⁶ The Joint Committee, in its report, stated that the object behind S.62 is to ease the process of filing an infringement suit. The report stated that many authors are afraid and hesitant in filing suits as the competent courts are distantly situated from their ordinary place of residence and suggested removing such barriers to allow the institution of suits in local Court within whose jurisdiction the plaintiff resides or carries on business etc.⁷

S. 62 of the Copyright Act, 1957 states that:

- 1) A suit for the infringement of copyright or any right shall be instituted in the District Court having the said jurisdiction.
- 2) The District Court here will be the one within whose jurisdiction the plaintiff or, in case of more than one, any plaintiff resides or does business or works for profit.

Similarly, S. 134 of the Trade Marks Act, 1999 states that:

- 1) The infringement suit or action for passing off shall not be made in any court inferior to District Court.
- 2) The District Court here will be the one within whose jurisdiction the plaintiff or, in case of more than one, any plaintiff resides or does business or works for profit.

To sum up, it turns out that S.62 of the Copyright Act, 1957 and S.134 of the Trade Marks Act, 1999 offer an additional forum for the adjudication of infringement suits in a District Court

⁵ Section 20 of CPC, 1908 - Other suits to be instituted where defendants reside or cause of action arises - Subject to the limitations aforesaid, every suit shall be instituted in a Court within the local limits of whose jurisdiction - (a) the defendant, or each of the defendants where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain; or (b) any of the defendants, where there are more than one, at the time of the commencement of the suit, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the leave of the Court is given, or the defendants who do not reside, or carry on business, or personally work for gain, as aforesaid, acquiesce in such institution; or (c) the cause of action, wholly or in part, arises.

⁶ Justice Arun Mishra, *Jurisdiction in Intellectual Property Rights Cases: Law Explained*, LEGAL BLOG, (May 22, 2020, 10:00 AM), <http://www.legalblog.in/2015/07/jurisdiction-in-intellectual-property.html>.

⁷ *Id.* at 10.

within whose limits the plaintiff resides or engages in business or works for gain. Therefore, it can be inferred that in respect of IP matters, CPC provides convenience to the defendant for the institution of the suit, whereas the Copyright Act, 1957 and the Trade Marks Act, 1999 offer flexibility to the plaintiff for the institution of the suit at his place of residence or business or profit.

III. ISSUES IN THE CURRENT APPROACH

There are several problems related to the present approach with respect to the jurisdiction in IP litigation in cyberspace. Some of them are related to personal jurisdiction, continuous cause of action in different places, infringement outside the jurisdiction, intermediary liabilities etc. But the main issue sticks to personal jurisdiction and continuous cause of action.

IV. GROUNDS OF JURISDICTION

The jurisdictional issues are often complex. Whenever a transaction between two individuals of two different states happens, the laws to be applicable are pre-determined by the parties. These are either of the countries to whose jurisdiction the parties subject themselves or of the country where the transaction occurs. This reflects the importance of territory and its boundaries which seem to be of no significance in respect of the cases arising over the internet because of its borderless nature. The issues, while deciding the jurisdiction for internet cases, generally involve questions pertaining to the maintainability of the jurisdiction competency of the person to determine the dispute or grounds for deciding the jurisdiction.

Jurisdiction is the power entrusted to a court to entertain and decide a matter. It is the authority of a court to determine the rights and liabilities of the parties, and the Court's decision stands against all odds as true and valid. As per the Cambridge dictionary, jurisdiction means "*the authority of a court or an organisation to make decisions and judgments*".⁸ Therefore, jurisdiction can be termed as the power of a legal body to administer justice within the area under its limits. There are 3 types of jurisdictions:

1. Territorial Jurisdictions: A jurisdiction is fixed on the basis of the territory, i.e. the geographical limits of the place where the cause of action arose or where the parties involved in the case reside. The territorial jurisdictions are provided in Sections 16, 17, 18, 19 and 20 of the Code of Civil Procedure, 1908. It refers to the place where the courts shall have the power to adjudicate a dispute. For instance, in the case of *Kasinath v. Anant*,⁹ where a property was

⁸ Cambridge Dictionary, (May 23, 2020, 5:00 PM), <https://dictionary.cambridge.org/dictionary/english/jurisdiction>.

⁹ *Kasinath v. Anant*, 1899 I.L.R.24 Bom.

in dispute and located outside the jurisdiction of the Court, the defendant didn't reside within the Court's jurisdiction but was present at the time of institution of the suit on whose basis court decided the case despite having no jurisdiction to do so.

2. Subject Matter Jurisdiction: Under such jurisdiction, a court can entertain cases of special matters. It is the power of a court to determine cases of certain types of cases pertaining to a specific subject matter.¹⁰ For instance, National Green Tribunal has a jurisdiction to decide cases related to the environment; the Company Law Tribunal has jurisdiction to decide cases related to companies governed under company law, or the Competition Commission of India has authority to decide competition law cases. Therefore, when the courts are instituted to decide cases of special subject matter, such jurisdiction is called subject matter jurisdiction.

3. Personal Jurisdiction: *Jurisdiction in personem* meaning thereby the jurisdiction based on the defendant's location and convenience.¹¹ Often the courts face the issue of competency to exercise personal jurisdiction over a defendant arising in an internet dispute.¹² The common issue arising in the case of a commercial activity taking place over the internet is whether to subject a person or an entity to personal jurisdiction for cases filed in another forum.¹³

The question before the courts is to decide the existence of sufficient contact between the non-residing defendant and the concerned forum so as to determine the maintainability of the suit without violating the "*traditional notions of fair play and substantial justice*"^{14, 15} The courts are often seen grappling with the issue of determining the nature of the internet whenever the question of applicability of personal jurisdiction arises in matters of website maintenance. There has been a number of cases in the same series.

In the case of *CompuServe Inc. v. Patterson*,¹⁶ the defendant, a resident of Texas, was involved in the sale of software over the CompuServe system. He signed a Shareware Registration Agreement with CompuServe, which was governed by Ohio law. As per the agreement, Patterson uploaded the shareware software over the CompuServe system, and the consumers buying the software remitted the license fee to the system. Later, when CompuServe started

¹⁰ Brinda G. Lashkari, *Issue of Jurisdiction Under Cyber Law in India*, RACOLB LEGAL, (MAY 23, 2020, 6:00 PM), <https://racolblegal.com/issue-of-jurisdiction-under-cyber-law-in-india/>.

¹¹ *Supra* at note 1.

¹² Michael J. Weber, *Jurisdictional Issues in Cyberspace*, 36 TORT & INSURANCE LAW JOURNAL 804, 805-806 (2001).

¹³ *Ibid.*

¹⁴ *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945).

¹⁵ Marilyn C. Maloney, *Intellectual Property in Cyberspace*, 53 THE BUSINESS LAWYER 227, 228-229 (1997) (May 25, 2020, 4:00 PM), <https://www.jstor.org/stable/pdf/40687783.pdf>.

¹⁶ *CompuServe Inc. v. Patterson*, 89 F.3d 1257 (6th Cir. 1996).

dealing in similar software having similar functionality, Patterson sued CompuServe for infringement. CompuServe instituted a suit in Ohio for getting a declaratory judgment that it didn't infringe the trademark of Patterson nor was involved in unfair trade practices. The lower court dismissed the case due to the absence of personal jurisdiction in Ohio. However, the US Court of Appeals for Sixth Circuit reversed the decision stating that 'firstly, the defendant should deliberately apply for the concerned state forum. Secondly, the cause of action should stem from the activities of the defendant there and finally, there should be a sufficiently substantial connection between the defendant's activities and the concerned forum to render the exercise of the jurisdiction over the defendant reasonable'.¹⁷

Often courts have taken a similar approach¹⁸; however, in *Bensusan Restaurant Corp. v. King*¹⁹, while taking a different stand, the Court analysed whether a person residing in Missouri and operating a nightclub in Columbia can be sued in New York by the club for trademark infringement. The defendant's website over a server in Missouri was accessible to all the residents of all the states. The website provided basic information, a list of events and the channel for ordering the tickets via phone. No ticket was sold without direct contact through the website, and anyone who wished to buy tickets had to order over the phone and collect from Missouri. The Court ruled that there was no sufficient contact with New York for personal jurisdiction to be applicable.

Therefore, for the applicability of the personal jurisdiction, the defendant must show sufficient contact with the concerned forum, so in IP disputes arising over the internet, it becomes difficult to decide the jurisdiction as the transaction happens in parts at different places.

V. COPYRIGHTS IN CYBERSPACE

Copyright is a bundle of exclusive rights provided to the author of a work. They are a set of monopolistic rights that are accorded to an owner of work for incentivising him for his creativity. These rights are negative rights meaning thereby they authorise the right holder for preventing others from infringing his work or from doing any act that copyright law forbids.²⁰

During the drafting of the copyright legislation, it was unforeseen whether copyright principles and the existing reliefs therein would be sufficient to address the copyright issues arising over the internet or that the Copyright law shall create a hindrance in the free-flowing of the ideas

¹⁷ *Id.* at 1263.

¹⁸ *Supra* at note 15.

¹⁹ *CompuServe Inc. v. Patterson*, 937 F. Supp. 295 (S.D.N.Y. 1996).

²⁰ DR. V.K. AHUJA, LAW RELATING TO INTELLECTUAL PROPERTY RIGHTS, 21 (2ed. Lexis Nexis 2013).

over the internet?²¹

Three factual questions need to be answered. First, whether the uploaded work is copyrightable? Second, whether the user downloading the work infringes the copyright of the author and third, whether the linking of one website to another or including the online materials from another website is permitted? To address the first issue, whether it is a song, a movie, a book, or any other work that is original and fixed on a tangible medium is a subject matter of copyright protection. As was laid in the landmark case of *Feist Publications, Inc. v. Rural Telephone Service Co. Inc.*²² that “*the sine quo non of copyright is originality*”, and the URL of the remote website being factual information is unentitled for copyright protection. With respect to the second question, whether uploading of materials on the internet, downloading of such work, forwarding the materials to colleagues, or linking it to other websites is legal or not? The author of a work has the exclusive right of reproduction, doing derivative works, issuing copies etc. Therefore, as per the *Sega Enterprises Ltd. v. MAPHIA*²³ and *Religious Technology Centre v. Netcom Online Communities Services Inc.*,²⁴ it was held that uploading of work over the internet is a right of reproduction of the author and distribution of the copy of the work would amount to infringement of the exclusive rights of the author. It was held in the case of *Religious Technology Center v. Lerma*²⁵ that for interacting over the internet, viewing, or downloading materials, the defendants could not be held liable.

VI. LIABILITY OF INTERNET SERVICE PROVIDER (ISP)

The questions pertaining to uploading, downloading or linking of websites over the internet has been frequently posed, and the issues relating to the liability of ISPs for copyright infringement is a more complex issue attracting immediate attention.²⁶ Section 512 of Digital Millennium Copyright Act, 1988 defines ‘service provider’ as “*an entity is offering the transmission, routing or providing of connections for digital online communications, between or among points specified by a user, of the material of user’s choice, without modification to the content of the material as sent or received*”.²⁷

²¹ *Supra* at note 15.

²² *Feist Publications, Inc. v. Rural Telephone Service Co. Inc.*, 499 U.S. 340, 13 L Ed 2d 358 : 111 S Ct 1282 : 18 U.S.P.Q. 2d 1275 (1991).

²³ *Sega Enterprises Ltd. v. Maphia*, 948 F. Supp. 923 (N.D. Cal. 1996).

²⁴ *Religious Technology Centre v. Netcom Online Communities Services Inc.*, 923 F. Supp. 1231 (N.D. Cal. 1995).

²⁵ *Religious Technology Center v. Lerma*, 908 F. Supp. 1362 (E.D. Va. 1995).

²⁶ Thilni Kahandawaarachichi, *Liability of Internet Service Providers for Third Party Copyright Infringement: A Study of US and Indian Laws*, 12 JOURNAL OF INTELLECTUAL PROPERTY RIGHTS 553, 556-557 (2007), (May 27, 2020, 1:00 PM) <http://nopr.niscair.res.in/bitstream/123456789/279/1/JIPR%2012%286%29%20.pdf>.

²⁷ Digital Millennium Copyright Act 17 USC §§ 105-304, (May 27, 2020, 3:00 PM) <https://www.law.cornell.edu/uscode/html/uscode17/00000512---000html>.

Questions about the fixation of ISP's liability for illegitimate activities have been prevalent ever since its inception in the 1990s, and continuous attempts have been made by US and Indian laws to tackle the issues through amendments in copyright legislations making it efficient to fix the liability of ISPs. The US and Indian courts have adopted two tests to determine the issue of copyright infringement in respect to ISPs. The first test looks upon the existence of copyright: whether copyright subsists? In affirmative cases, the second test is applied to determine whether there has been copying of the essential elements of the original work.²⁸

The ISPs should be considered liable for copyright infringement only when there is the direct involvement of ISPs in uploading or providing the copies of the original works on their platforms, but arguments have been made to not hold ISPs liable when their subscribers or consumers upload any such infringing materials. However, this appears to be a flawed concept because of the contractual agreements entered into by ISPs with their consumers for providing a platform to them to upload their work, establishing the involvement of ISPs in uploading infringing materials. For instance, YouTube has been multiple times forced to take down infringing materials from its platform on continuous complaints of copyright infringement.²⁹

The copyright infringement arising due to these ISPs involve a basic question pertaining to the jurisdiction over which debates and discussions are constantly taking place.³⁰

VII. CONTINUOUS CAUSE OF ACTION

Another jurisdictional issue related to IP is a continuous cause of action. Where a song was uploaded over the internet in one jurisdiction, held by a server in another territory, promoted and advertised on the website of another service provider in another territory, 'bought' through a click and paid service in another jurisdiction and finally 'downloaded' in some other territory, the entire transaction being a sale of a pirated version of the song is an infringement of the copyright vested in that song. Now the question that arises is, does the Court in every jurisdiction over the transaction happening in parts has the power to entertain the dispute?

The answer to this question remains unsettled as the continuous cause of action takes place in different territories at different intervals of time; it becomes difficult to determine the jurisdiction for fixing the liability since the offence is continuing one and the borderless nature of the internet renders it difficult to assuredly answer which Court shall have authority to entertain the dispute.

²⁸ *Supra* note 1.

²⁹ Jake Plovanic, *Youtube (Still) has a Copyright Problem*, WASHINGTON JOURNAL OF LAW TECHNOLOGY AND ARTS, (June 1, 2020, 11:00 AM), <https://wjta.com/2019/02/28/youtube-still-has-a-copyright-problem/>.

³⁰ *Ibid*.

VIII. GLOBAL POSITION

This part of the paper analyses the attempts made by the courts to ‘localise’ the transactions in IPR matters involving the applicability of personal jurisdictions over defendants residing outside the territories since the major jurisdictional issue pertaining to IP matters in cyberspace is of personal jurisdiction. The law traces its evolution in the USA, where different tests like minimum contacts test, Zippo sliding test, purposeful availment test etc., were laid down in different cases.³¹ The paper discusses the position in USA, UK and India.

(A) United States of America

1. Minimum Contact Test

This test owes its evolution to *International Shoe Co. v. Washington*³². It is a two-step test for determining the jurisdiction over a defendant where he does not reside or carries on business within the jurisdiction of the forum state. As per this test, the plaintiff must establish that the defendant had sufficient ‘minimum contacts’ in the forum state, meaning thereby that the defendant willfully directed his activities in the forum state or intentionally exercised his privilege of carrying out business in the forum state. In addition, the forum state must also be satisfied that it exercises jurisdiction in accordance with “*traditional notions of fair play and substantial justice*”³³. There are two related yet distinguishable functions to be served by this test. The first function is to protect the defendant from the inconvenience of litigating in a remote or distant place. Secondly, to make sure that states don’t “*reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system*”.³⁴

Michael Geist states that ‘in various jurisdictions, the litmus test for determining the appropriateness of the jurisdiction is based upon the analysis of the reasonability, as the courts in US and Canada often rely on reasonableness standard as their guide.’³⁵ In the US, the standard of reasonableness is formulated in terms of ‘minimum contact theory’, whereas, in Canada, the standard is couched as ‘real and substantial connection’. Although it appears that these terms have different meanings however the underlying principle remains the same – the suitability of the contending jurisdiction lies upon whether the parties would themselves consider it reasonable to do so.³⁶

³¹ *Supra* at note 1.

³² *International Shoe Co. v. Washington*, 326 U.S. 340 (1945).

³³ *Id.* at 11.

³⁴ *Id.* at 31.

³⁵ Michael A. Geist, *Is There A There There? Toward Greater Certainty for Internet Jurisdiction*, 16 BERKELEY TECH. L.J. 1345, 1355-56 (2001).

³⁶ *Ibid.*

However, in a recent case of *Boschetto v. Hansing*, the Court adopted the ‘minimum contacts’ test while rejecting the sliding scale test.³⁷ But the ‘minimum contact’ test is only limited to cases involving long financial transactions. It is inapplicable to cases relating to remote torts or those involving internet defamation and various other non-commercial transactions.³⁸

2. Purposeful Availment Test

This test emerged in the case of *Hanson v. Denckla*.³⁹ In this case, Florida had determined jurisdiction over Delaware trust company when the appointment of property of Florida’s resident was challenged by Delaware being the trustee for it. The US Supreme Court, while rejecting the Florida court’s decision, held that the company was not conducting or soliciting its business purposefully in Florida and was only related to the Florida state as the routine correspondence with the settlor after the contract was entered.

In another case of *World-Wide Volkswagen Corp. v. Woodson*,⁴⁰ an automobile driven by the purchasers was engaged in an accident in Oklahoma. The question was, can the Oklahoma Court’s jurisdiction be determined over defendants even though the company was based in New York and had no connection with Oklahoma except through the ‘unilateral activity’ of its purchasers. The US Supreme Court held that defendants could not be made amenable to Oklahoma court’s jurisdiction as they didn’t carry the business purposefully in Oklahoma. The Court stated what was relevant was “*that the defendant’s conduct and connection with the forum state are such that he should reasonably anticipate being hauled into court there*”⁴¹.

Therefore, in a series of cases, the Court applied the ‘purposeful availment test’ wherein Court had ensured that the jurisdiction should be determined over the defendant only when he had purposefully and intentionally directed his activities towards the forum state and was therefore connected to it.⁴²

3. The Zippo ‘Sliding Scale’ Test

The laying of the sliding scale test in *Zippo Manufacturing Co. v. Zippo Dot Com, Inc*⁴³ was an attempt to extend the purposeful availment test. In the instant case, the plaintiff, a Pennsylvania based company, was involved in cigarette lighters manufacturing, and the defendant, a California based corporation, was operating an internet website and providing news service.

³⁷ *Boschetto v. Hansing*, 539 F.3d 1011 (9th Cir. 2008).

³⁸ *Supra* at note 1.

³⁹ *Hanson v. Denckla*, 357 U.S. 235 (1958).

⁴⁰ *World Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286 (1980).

⁴¹ *Ibid.*

⁴² *Calder v Jones*, 465 US 783; *Maritz v Cybergold*, 947 F. Supp. 1328 (ED Mo.1996).

⁴³ 952 F. Supp. 1119 (W.D. Pa. 1997).

The subscribers availing of this news service had to fill out an online form along with the payment of fees. In a suit for trademark infringement, dilution, and false designation by the plaintiff in Pennsylvania, the issue for the Court's determination was whether the jurisdiction could be decided upon the defendant in Pennsylvania. The Court stated that in the absence of general jurisdiction, the Court is allowed to exercise personal jurisdiction over a non-resident defendant only where there is a relationship between the defendant and the forum state, i.e. to say that the defendant had minimum contacts with the state.

Further, the Court held that to decide the appropriateness of the personal jurisdiction over the defendant; three things must be seen:

- 1) 'That the defendant had sufficient nexus with the forum state,
- 2) The claim made against the defendant arose out of that nexus,
- 3) There should be a reasonable exercise of the jurisdiction.'⁴⁴

The Court also categorised the websites of the defendants as passive, interactive and integral for the defendant's business.

Therefore, in the US, the test for maintainability of a suit in a jurisdiction is based upon the personal jurisdiction concept wherein the plaintiff must establish that the defendants intentionally used the privilege of carrying activities in the concerned state besides having sufficient contact with the contesting jurisdictional state.

(B) United Kingdom

In the case of *1-800 Flowers Inc. v. Phonenames*,⁴⁵ the plaintiffs were involved in the selling of flowers through their website, and the defendant was a UK based phonebook company. Customers all over the world could access the website to order the flowers; however, none of the UK residents had bought flowers from the website. The trademark infringement suit was filed for using mark 1800 on the pretext that the plaintiff's website was accessible to the people in the UK and online orders could be placed by them. The Court of Appeals held that the fact that the websites were globally available anywhere did not mean, for the purpose of the trademark, that the law should consider their usage everywhere around the globe. Relevancy would be given to the website owner's intentions and what the reader gathers if he accesses the website.

⁴⁴ Tushar Kanti Saha, *Cyberspace – Conflicting Jurisdictional Spheres of Litigating IPR Claims*, 15 JOURNAL OF INTELLECTUAL PROPERTY RIGHTS, 367, 364-373 (2010).

⁴⁵ *1-800 Flowers Inc. v. Phonenames*, [2002] F.S.R. 12 (C.A.).

There are two types of jurisdiction rules followed in England; the first is the 'traditional rules', and the second are those that are replaced by 'conventional rules'.⁴⁶ The traditional rules allow the English courts to exercise jurisdiction in the following situations:

- 1) When the defendant is situated in England and the writ has been served on him,
- 2) The defendant submits to the Court's jurisdiction,
- 3) Or he has been served with the writ with the Court's permission when located outside England.

In other words, where the defendant has been informed or has been served with notice of action, the English Court shall have the power to exercise jurisdiction. So as ruled in the case of *Maharanee of Baroda v. Wildenstein*,⁴⁷ even a short period of physical stay within the territorial limits of the Court shall make him amenable to the jurisdiction of the Court. In the instant case, the notice was served upon the defendant when he temporarily visited England in respect of a contract signed in France and being a resident of France. The Court held that it had jurisdiction to try the case and serve the notice. In issues related to cyberspace jurisdiction, generally, matters of defamation and cybercrimes are applicable.⁴⁸

(C) India

In India, the determination of jurisdictions for the institution of suits is governed under Section 20 of CPC, 1908, which allows for the filing of suit either where the cause of action has arisen or where the defendant resides or carries on business; however, in IP matters Section 62 of Copyright Act, 1957 and Section 134 of Trade Marks Act, 1999 allow the plaintiff to institute the suit in that District Court within whose jurisdictional limits the person instituting the suit resides or carries on business or works for gain.

In *Casio India Co. Limited v. Ashita Tele Systems Pvt. Limited*,⁴⁹ the plaintiff a subsidiary company of a Japanese based Casio Computer Co. (Casio Japan), dealt in electronic products and had registered many domain names like 'CasioIndiaCompany.com' or 'CasioIndia.org' etc. The defendants were the holders of the domain name www.casioindia.com in India. The plaintiffs sued the defendants for passing off action. The Delhi High court held that if the domain name website is accessible from anywhere else, then the jurisdiction in such cases

⁴⁶ Amit M. Sachdeva, *International Jurisdiction in Cyberspace: A Comparative Perspective*, C.T.L.R.(2007) (June 3, 2020, 4:00 PM), https://www.academia.edu/5198261/INTERNATIONAL_JURISDICTION_IN_CYBERSPACE_A_COMPARATIVE_PERSPECTIVE.

⁴⁷ *Maharanee of Baroda v. Wildenstein*, [1972] 2 Q.B. 283.

⁴⁸ *Supra* at note 45.

⁴⁹ *Casio India Co. Limited v. Ashita Tele Systems Pvt. Limited*, 2003 (27) P.T.C. 265 (Del.).

cannot be restricted to the territorial limits of the defendant's place of residence. The Court stated that 'the public was likely to be confused' is sufficient to determine the jurisdiction, and it is not at all needed to show "*any actual deception took place at Delhi. Accordingly, the fact that the website of the defendant can be accessed from Delhi is sufficient to invoke the territorial jurisdiction of this Court*"⁵⁰.

However, a different approach was followed in the case of *India TV Independent News Service Pvt. Limited v. India Broadcast Live Llc & Ors*,⁵¹ wherein the plaintiff was the trademark holder of 'INDIA TV' and had launched its website 'INDIA TV' in 2004. The plaintiff also owned the domain name 'indiatv.com'. Passing off case was filed in Delhi High Court against the defendant to prevent them from using 'indiatvlive.com' domain name. During the pendency of the case, the defendants filed a suit in Arizona, where they were based, for a declaratory judgment about not infringing the plaintiff's mark. Suppression of this fact by the defendants was brought into the Delhi High Court's notice, and a grant of an injunction was prayed to restrict the defendants from proceeding in the Arizona court since it was an inappropriate forum. Contrarily the defendants challenged the appropriateness of the Delhi High Court's competency to decide the case and contended that it's the Arizona court that has the jurisdiction (*forum conveniens*). It was contended that for the applicability of personal jurisdiction over the defendant, there should be a long-arm statute based on which the Court shall determine jurisdiction over a person residing outside the state.

The Court, while invoking the purposeful availment test and the three factors laid in it, stated that in the absence of long-arm statute, the jurisdiction should be determined on the basis of:

- a. 'Sufficiency of contact with the forum state (India);
- b. Whether the cause of action arising out of the defendant's activities within the limits of the forum state.
- c. Would it be reasonable to exercise the jurisdiction?'⁵²

Accordingly, the Court ruled that there was a sufficient connection of the defendant with India and that the defendant "*intended to target the expatriate Indians and Indians within the country*". Eventually, the Court held that the defendant was conducting his activities within the jurisdiction of the Delhi High Court, and therefore the claim of plaintiffs was maintainable.

⁵⁰ *Id.* at 6.

⁵¹ *India TV Independent News Service Pvt. Limited v. India Broadcast Live Llc & Ors*, [2007] 35 P.T.C. 177 (Del.).

⁵² *Supra* at note 45.

However, in the landmark case of *Banyan Tree Holding (P) Limited v. A. Murali Krishna Reddy*⁵³, the jurisdiction issue was dealt with in proper detail, and it overruled the decision laid down in the *Casio India* case. In the present case, the plaintiff, a Singapore based company, was indulged in the hospitality business. They owned the trademark ‘Banyan Tree’ and banyan tree device since 1994 besides owning the websites ‘www.banyantree.com’ and ‘www.banyantreespa.com’, which were accessible in India too. Their trademark and website registration application were pending; meanwhile, they discovered about the defendant’s project ‘Banyan Tree Retreat’, which the plaintiff alleged to be deceptively similar to their mark. The plaintiffs invoked Delhi High Court’s jurisdiction based on the defendants’ website ‘www.makeprojects.com/banyantree’ advertising goods and services were accessible in Delhi. The Division Bench, upon reference by Single Judge, dealt with two questions:

1. In an infringement or passing off suit where the plaintiff neither resides nor carries business nor works for gain within the Court’s jurisdiction, in what situation can hosting of a universally accessible website by defendants provide jurisdiction to the Court where the suit is instituted (the forum court)?
2. What shall be the extent of the plaintiff’s burden of proof to establish the said Court’s jurisdiction to determine the case?

In answer to the first question, the Court stated that in the absence of long-arm statute in India, the plaintiff should have to establish the defendant’s intention to ‘purposely avail’ itself the jurisdiction of the said forum and deliberate attempt to use the website, for the commercial transaction by specifically targeting the forum state, causing an injury to the plaintiff.

In answer to the second question, the Court stated that for the purpose of S.20(c) of CPC, 1908, the plaintiff should have to establish with material evidence that the defendant’s website, whether passive or interactive, was used to specially target the viewers in the forum state for commercial transactions leading to an injury to the plaintiff.

The Banyan Tree case reinstated the ruling in the *India TV* case, which clears the current position in India that in order to establish the jurisdiction of a court, when the plaintiff neither resides nor conducts business nor works for gain, it shall have to be established that the defendant’s website was universally accessible, was intended to be used for commercial transaction causing injury to the plaintiff and there was a ‘purposeful availment’ of the jurisdiction of the forum state by the defendant targeting the specific customers therein.

⁵³*Banyan Tree Holding (P) Limited v. A. Murali Krishna Reddy*, [2010] 42 P.T.C. 361 (Del.).

IX. CONCLUSION

The rampant increase in the use of intellectual property in the cyber world blurs the direction in which it is heading at this juncture. The intersection of intellectual property and the internet has posed some important issues but what makes it more interesting is the Court's approach in different countries to resolve it. Despite the pros and cons, the importance of cyberspace cannot be undermined—the increasing IP jurisdictional issues in cyberspace call for a proper mechanism to regulate it.

It becomes imperative to protect the consumers from any confusion or deception and to maintain their faith by ensuring the accountability of the online companies to the local laws. The tests for the determination of the infringer's liability in cyberspace issues seem to be reasonable for the determination of the jurisdiction of the forum. The approach adopted in IP cases seems to be reasonable since the plaintiff's interests are well catered in contrast to other civil cases governed under S.20 of CPC, where the defendant's convenience is prioritised. IP cases are of specific nature and require special treatment; therefore, S. 62 of Copyright Act, 1957 and S.134 of Trade Mark Act, 1999 provide for the institution of the suit in that jurisdiction where the plaintiff resides or carries business or works for gain.

The borderless nature of the internet makes it complex for the parties and the courts to determine the appropriate forum for the institution of the suit because of the continuous cause of action starting at one jurisdiction and traversing along with different other jurisdictions. Although the courts have laid down certain reasonable tests for the determination of the jurisdiction, however, the pace with which information and technology are progressing, and the cropping of novel offences often makes it pertinent to lay down a systematic mechanism for the resolution of such issues. Hence, for the same purpose, the researcher suggests the following recommendations:

1. Separate Tribunal: In order to provide a better mechanism for dealing with IP issues in cyberspace, a special tribunal can be set up with powers similar to the civil courts with special jurisdiction of deciding the IP cases resulting out of its interface with the internet. The tribunal may comprise IP experts and experts in the field of information and technology, which shall be able to deal with the issue in a better manner besides reducing the burden of cases on the courts dealing with other subject matter cases too.

2. Immediate Take-Down Action: Where any infringing material has been uploaded or shared over the internet violating the rights of the IP holder, there should be an immediate takedown of the material from the internet upon a complaint as soon as possible after a

reasonable inquiry. Such cases require prompt action as the loss that occurs to the plaintiff increases every passing moment. Therefore, it becomes important to expedite the process in order to protect the interest of the IP holders.

3. Anton Pillar Order: Due to the tedious process of tracing the origin of infringement through its entire chain of transactions and determination of the appropriate forum for the institution of the suit, the plaintiff suffers a lot of loss, and till the time the entire process is completed a substantial loss has already occurred to the IP holder. Therefore, in order to protect the holder from such huge loss, he should be provided with the right to enforce Anton Pillar orders which are anticipated injunction orders against unidentified defendants for the search and seizure of goods. In cyberspace related issues, such orders can be used to compel the infringer to take down the website or stop its dealing in the goods and services concerned till the time a final decision is not arrived at.

Intellectual property is a source of revenue for an entity, or an individual and attempts should be made at all levels to protect the holder's rights from violation and incurring loss due to third party activities. This requires proper management of IP, which makes it necessary to determine better avenues for protection of the same. The increasing use of the internet in all spheres and its seamless nature makes it more pertinent to device such laws and mechanisms such that the infringers can be easily traced and jurisdictions for the administration of justice can be fixed without much delay and complexity.
