

# **Dispute of Domain Name with Trademark: Jurisdictional Issue and Future Challenges**

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## **I. Introduction:**

The internet with all its virtues is often described as virtual domain intruded by cyber squatters because of which legal principles are necessitated to tame the unchecked boundaries of the cyberspace. It is proven fact that behind the most of the progress that world has witnessed over time, man's ingenuity has played a vital role.<sup>3</sup> Thus, the human resources coupled with brain and brawn can be considered the prime input in the production of knowledge that from the very basis of development in technology.

With a span of just a few years, the internet was evolved from a technical curiosity to an increasingly important and pervasive aspect of modern business and culture. With the global<sup>4</sup> reach of the internet and intellectual property has expanded its area.<sup>5</sup> At the same time it provides expanded opportunities for those seeking to infringe the rights of others, and elimination of such infringement becomes extremely difficult.

The challenge that the law has faced in recent years is how to foster the development of intellectual on the internet while preventing its unauthorized exploitation. Intellectual property owners must be mindful of new forms of possible intellectual property infringement that arise from the Unique nature of internet technology, such as cyber piracy. Given the worldwide reach of the internet<sup>6</sup> millions of websites on the worldwide web creates an ease of access<sup>7</sup> to copying of others intellectual property with the

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<sup>3</sup> Anita Verma, *Cyber Crimes and Law*, 9, (2009).

<sup>4</sup> Technology has made us a global community in the literal sense of the world, whether we are ready or not, mankind now has a completely integrated Information market place capable of moving ideas to any place.

<sup>5</sup> Rodney D. Ryder, *Guide to Cyber Laws, IT Act, 2000 E-Commerce data protection and interest*, 149, (2001).

<sup>6</sup> E-Commerce has proved itself apt at not following the expected norms and capable of being able to circumnavigate pre-internet models of establish next in physical world vendors change location. Whereas vendors who change locations regularly would undoubtedly lose customers.

<sup>7</sup> Vee Feb Lim *Cyberspace law, commentaries and Materials*, 121, (2008)

safeguard in the form of famed anonymity of this new medium. Perhaps the most difficult task of Intellectual property rights<sup>8</sup> is detecting infringement and indentifying the infringer.<sup>9</sup>

## **II. Conflicting Interest between Trademark and Domain Name:**

A trademark works to serve two basic functions, firstly, to indicate the source or origin of the product and secondly, economically more important giving a recognition of its own. It acts as product differentiation where goods cater to consumers directly.

A trademark helps them to attract certain characteristics as durability, performance, efficiency and after sale, service to a particular product sold at a value under that brand. Thus, trademarks are omnipresent and deserve attention more intense than patents or copyright. The perpetual nature opposed to limited duration of patents, designs, copyrights making it more valuable and important.<sup>10</sup>

Internet Domain names<sup>11</sup> have spawned unprecedented legal issues that do not have express solution with the expansion of domain name system the cyberspace operates<sup>12</sup> as sovereign less land of opportunities. The trade mark law has evolved to ensure consumer is not mislead about the source of the product as trademark is a kind of quality assurance for customers trademarks are therefore valuable business assets.

Domain name accelerates income by the 'goodwill' generated on internet, so law pertaining to trademark cannot reach conclusion for cases of disputes between trademark and domain name.

Since all practical boundaries vanish while working in cyberspace, the trademark faces challenges to keep up the credibility it relishes for long. A regime of radical laissez faire with respect to online activity has emerged.

## **III. Domain Name from Evolution to Expansion:**

The network of computers known as internet evolved as an

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<sup>8</sup> The intellectual properly right came into being in 1883 after the adoption of Paris convention for pro-action of industrial property.

<sup>9</sup> Supra at 671.

<sup>10</sup> Ashwani Kumar Bansal, Law of Trademark in India, 9, (2009).

<sup>11</sup> Cybersquatting was the name given to the use of someone else's trademark as one's own domain name. Priceton Review Management corp. V. Stanley H. Kaplan Educational centre Ltd., 94 Civ. 1604 (MGC) (SDNY, Filed 9<sup>th</sup> March 1994).

<sup>12</sup> K.C. Kailsam, Ramuvedaram, Law of Trademark and Geographical indications- Law practice and procedure, 100, (2009).

experimental system during the 1970s and 1980s.<sup>13</sup> Over the years it has grown by leaps and bounds, the names such as IBM, Compaq, Dell as trademarks have become household names and come to be synonymous with the product that are sold under the names.

With global availability internet caters to the need of customers and provide expansion opportunities to the owners of intellectual property rights. This unlimited market is similar opportunity to those who deliberately infringes the rights of others. Thus, the detection, elimination and cure of infringement by cyber criminals pose serious threats to emerging avenues of cyberspace.<sup>14</sup>

In the interactive medium like the internet the safeguarding of transparency and privacy is of particular importance.<sup>15</sup> To regulate unfair competition law may have to include rules requiring a clear distinction between informative text and advertising and unauthorized collection of data to commercial purpose.

The internet has triggered many changes<sup>16</sup> in the intellectual property community. As a data and resource access tool, it has expanded the reach of every user of localized, regional resources to a truly global information access. Due to its low cost access, its avenues have paved way for improvement and progress. Thus, both the corners of the cyberspace are to be harmonized to work with proficiency. We cannot accept the benefits with complacency and at the same time, we cannot allow the detrimental impact to continue unchecked. Domain name infringement surpasses all notions of being cautious towards trademark publicity on cyberspace.<sup>17</sup>

WIPO processes seek to find procedures that will avoid the unwitting diminution of frustration of the domain name system under trademark conflict as this is a crucial concept of intellectual property dichotomy, the agenda needs universal acceptance for a universally applicable law, which is mandatory and acts as a corrective check on cyber-squatters. As has been the fate of domain name system it faced criticism of being enemy of its own success. This success led to its paralyzed state and

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<sup>13</sup> Farooq Ahmed, *Cyber Law in India (Law in internet)* 150, (2001).

<sup>14</sup> <http://domain.nest.ernet.in> accessed on 8<sup>th</sup> Feb, 2012.

<sup>15</sup> [www.icann.org](http://www.icann.org), accessed on 16<sup>th</sup> March, 2012.

<sup>16</sup> Internet use varies by age. Use of internet was lowest among older age groups. One fourth of persons aged 55 to 64 use the internet. The 64-71 years old group had an ever lower use rate at 10% percent finally the 75 and the older age group had the lowest rate, about 4 percent. Those aged 18-24 has the highest use rate at 44%. Almost 60 percent of those with internet access at home and 50% of those with access outside the home used it to search for information.

<sup>17</sup> Vageshwari, "Judicial challenges of Crimes in Cyberspace: Need for a comprehensive international Law", *MDU Law journal*, 305, (2003).

need international protection.

#### **IV. Jurisdictional Barriers in the Internet Domain:**

The advent of internet has impacted upon the application of existing and procedural doctrines. The nineteenth century doctrine finds it difficult to accommodate to new era of cyberspace and which is bound by no political boundaries. The lure of conducting global operations through computers and web, such reach of websites have become irresistible. The nations worldwide seem to be clueless as to how the wrath of the piracy or cyber-squatting which is untamed by the jurisdictional aspects. The traditional choice of law is inefficient when situations arise in the manner where conflicts are extra-territorial.

The bedrock of regulations is necessary for effectiveness for judicial systems. Regulations which clearly defines the principle of law and jurisdictional power of the courts, which would enable them to cure the wrong and resolution of conflicts.

In *Tata Sons Ltd. V. Manu Kosari*,<sup>18</sup> the Delhi High Court made an important observation-with the advent of modern technology particularly that relates to cyberspace, domain name or internet sites are entitled to protection as a trademark because they are more than mere addresses. The tendering of internet services is also entitled to protection in the same way as goods and services are, and trademark law applies to activities of internet.

In the age of convergence, where technology allows for a combined medium for all kinds of information content, the rules run short of its concept of repugnancy.<sup>19</sup> Modern cyber technology has opened up new vistas of operation and application of this technology and now the cyberspace is not an ethical vacuum but a superhighway of transmission of knowledge and information across space through invisible electromagnetic pulses. Cyberspace is undoubtedly a space without frontiers, offering infinite opportunity and utility of mankind.<sup>20</sup>

#### **V. Controversy over Application of Law:**

The ability of the worldwide web to penetrate every home and community across the globe has both positive and negative implication.<sup>21</sup> The internet is a challenge to the sovereignty of civilized communities, states and nations to decide what is appropriate. From a legal perspective the term

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<sup>18</sup> 2001 PTC 432, (Del.)

<sup>19</sup> Ian J. Lloyd, *Intellectual Property Law*, 496, (2008)

<sup>20</sup> <http://www.domainstates.com>

<sup>21</sup> *Supra* 5 at 9.

cyberspace and the concept of a quasi-physical territory are helpful in attempting to analyze the issues involved with computer communication.<sup>22</sup>

The geographical location where conduct occurs is one of the major factors determining which country's laws apply to these activities. To reiterate, the operation of global networks pay little heed to national boundaries and one of the argument frequently mooted is that there is need for a new legal perspective and regime in cyberspace.

## **VI. Future Challenges to the Trademark in Cyberspace:**

Indeed the inhabitants of cyberspace may be at least in theory, the most massively regulated individuals in the world in that depending upon the nature of their activities, they may theoretically be subject to the jurisdiction of virtually all of the world's legal systems.

Theory and practice are greatly divergent and that challenge of developing effective mechanism for law enforcement is substantially greater than that of identifying relevant legal provisions.<sup>23</sup> In the light of the technological niceties involved in the system, there is a requirement of a specialized body to adjudicate over the disputes relating to domain names. The all-pervasive information technology revolution which marked the closing of 20th century has heralded the third millennium as a digital epoch wherein the law of intellectual rights will have to confront and grapple with the challenges of unprecedented dimension and magnitude where no systematic application of the traditional principles and the concept of law with wildest stretchof imagination will be able to solve the problems and answer the questions raised.<sup>24</sup>

However, even so, it continuous to defy definition. We can identify individual attributes, but the overall picture remains elusive. Domain name infringement or cyber squatting is the deadliest epidemic confronting our planet in this millennium.<sup>25</sup> The Information Technology Act, 2000 is silent on cyber consumerism hence, leaves the entire area to consumer protection Act, 1986. Threat to domain names on the Internet is no longer an illusion. The situation could go out of hand if governments and the corporate do not sit up and brace themselves to the challenge.<sup>26</sup> The academic debate aside, the truth of the matter is that a memorable and easy to spell domain name is

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<sup>22</sup> R.L. Tawari, K.K. Sastry, K.V. Kairkumar, Computer crime and computer forensics, 252, (2002)

<sup>23</sup> ICANN Uniform Domain Name Dispute Resolution Policy, implemented on October 24, 1999.

<sup>24</sup> Hemant Goel, Law and emerging technology-Cyber Law, 68, (2007).

<sup>25</sup> Rodney, D. Ryder, Intellectual property and internet, 527, (2007).

<sup>26</sup> www.cyberspacelaw.org.accessed on 22<sup>nd</sup> December, 2001.

more valuable than diamond for corporations, wishing to establish their presence on the internet. Cyberspace should be treated as a distinct place for purpose of legal analysis.<sup>27</sup> It requires comprehensive laws which are not only strictly applied but are also curative in terms of repairing the loss incurred to the legitimate domain name owners. Domain name are huge commercial credits as it adds to company's repute and goodwill.

## **VII. Conclusion:**

There is no systematic approach adopted so to impart training to prosecutors and judges, although there is evidence of their keenness to become knowledgeable. Possibly the initiative may have to come from law enforcement agencies, who are responsible for strategic development. The ease with which cyber vandalism can be committed has helped an international consensus that a hacker or an infringer should not be allowed to get away because of legal inadequacies. A ray of hope has been provided in the legal system in the form of Section 75 of Information Technology Act, 2000, clearly lays down that its provisions shall apply to any offence or contravention committed outside India by any person, irrespective of his nationality, involves computer or related aspects. The procedure also involves a request by the court of one country to its counterpart in another. With the increases of commercial activity on the internet, a domain name is also used as a business identifier, thus it also identifies a specific internet site.

The Indian context, certain other factors must also be considered. The prohibitive costs of litigation coupled with the enormous delay that could occur at every stage, all these make litigation an alternative that must be categorized as the last resort. Therefore, it is preferable that some definite principles be evolved to ensure that disputes are prevented rather than resolved. To protect the trademark while expanding business outside geographical limits the trademark is protected only when registered in all those countries separately. However, when the new product is introduced through the internet, all rules go out of the window.

Thus, the use of trademarks over the internet are fraught with the kind of problems that are completely different from those in relation to trademark laws in territorial jurisdiction. Consequently, it would be difficult to pursue an action for the infringement. The courts in recent times have witnessed a spurt in case relating to cyber-squatting. This aspect of domain name system has posed serious threat to e-commerce.

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<sup>27</sup> Internet has evolved to suit the legal Computer forensics and is simply the application of computer investigation and analysis technique in the interests of determining political legal evidence.

Thus, the culture of technology has grown by leaps and bounds. The basic problem is that the existing international laws or legal framework for prohibition of false and deceptive indications of trade name. Cyberspace should be treated as a distinct place for purpose of legal analysis, it requires more comprehensive laws, which are not only strictly applied but are also curative in terms of repairing the loss incurred to legitimate domain name owner. Such infringement leads to serious issues, where names and brands are exploited to earn huge profits and the legitimate owner suffers. Thus, domain names are no longer cyber space commercial aspects, but are a commercial asset that speaks volumes for its repute and goodwill, for disputes of such nature, are to be eradicated and eroded.

Thus, the area requires accelerated improvements and comprehensive measures to regulate domain name disputes and gauge the risk of infringement, the suggestions to mobilize improvement and help overcome cyber squatting may be pointed out as under:

1. The most prominent feature of our problem lies in non-alignment of the trademark laws with new and emerging technological aspects of cyberspace. Thus, trademark laws are to be brought in harmony with domain name disputes.
2. The growing consumer confusion is as to how to accelerate their demands on the cyberspace. With no law governing two concepts at the same level, the ever growing crises of cyber-menace be tamed by effective implementation of the rules.
3. The biggest reason that has caused unchased havoc is registration services. The registration services should not be monopoly control of one of selected few. It should be on global parameters. The laws should be stringent and remedial to these ever growing cyberspace problems.
4. The prejudice and biased approach of authorities regulating domain name system should be altered. There should be more accountability and self-regulatory measures. The growing commercial value of cyberspace, the issue of cyber squatting is grave and haunting. Thus, the need of the hour is to evaluate their strategies and comprehensively apply them to provide salvation to those in need.