

CYBER SQUATTING – THE DIGITAL VERSION OF PASSING OFF

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ABSTRACT

In this large and tangled web of the internet called “Cyberspace” the most common way for consumers to find what they are looking for is to type the Domain Name of the brand or company, the natural connection between trademarks and domain names has been explored by some who have the trademarks of others as domain names and then tried to sell those domain names back to the trademark owners or third parties at a high price, which is known as “Cyber Squatting”ⁱ. Cybersquatting is the most crucial type of domain dispute prevalent around the world. It is summarized well in *Manish Vij v. Indra Chugh*,ⁱⁱ the court held that “an act of obtaining fraudulent registration with intent to sell the domain name to the lawful owner of the name at a premium”. This is an abusive practice which is a form of trafficking domain names.

Keywords: Cyber space, cyber-crime, cyber-squatting, Cyber laws.

TYPES OF CYBER SQUATTING

Cyber Squatting can be of various types, most common type is typo squatting, when a cyber-squatter registers domain names containing variant of popular trademarks. Typo squatters mainly rely on a fact that Internet users will make typographical errors when entering domain names into their web browsers. Some common examples of typo squatting include:

- The omission of the “dot” in the domain name: wwwindia.com
- A common misspelling of the intended site: india.com
- A differently phrased domain name: indias.com
- A different top-level domain: india.org.

Trade mark

Trade mark means a mark capable of being represented graphically and which is capable of being represented graphically and which is capable of distinguishing goods and services from one person of others and may include shape of goods, their packing and combination of colours.ⁱⁱⁱ

Deceptive similarity

Deceptive similarity^{iv} generally means one person using any Trade mark which is identical or deceptively similar to the Trade mark which is already in use, whether registered or unregistered, it can also be called as Passing off when one tries to pass off his goods with the Trade mark or name of another and it is an offence punishable under relevant law, but this is in regular format when it comes to cyber space.?

Deceptive similarity in Cyber space

The domain name is simply the address of an individual computer connected to the Internet. From a user's point of view, a domain name is an IP address in a human-friendly form and if the human-friendly form of the IP address coincides with the name of a business or a trademark, it becomes a valuable asset. Domain names can incorporate trademarks in a number of ways. The most obvious is the verbatim adoption of the mark followed by a gTLD, such as

addidas.com. A person who is not the trademark owner and registers the trademark as a domain name engages in relatively straightforward trademark infringement. However, trademark infringement can also take the form of trademark dilution, which is prohibited under the U.S. Federal Trademark Dilution Act (FTDA). The purpose of this act is to protect owners of famous marks against dilution and tarnishing of their mark.

Innocent squatting

A trademark is not infringed by a domain name unless the trademark existed at the time of domain name registration. This kind of cybersquatting is speculative and legitimate. John D. Mercer also identifies "innocent" cybersquatting,^v whereby the registrant does infringe a trademark "based on some unrelated interest in the word itself, without intending harm to a trademark owner" and "concurrent" cybersquatting, whereby the registrant uses the same trademark as another commercial entity, but not within a competing industry.

Intentional squatting

The harmful kind of cybersquatting involves intentional bad faith trafficking in domain names that are the same as, or a dilution of, existing trademarks. Mercer offers a fitting definition: "an illegal cyber squatter should be one who acquires a domain name for the sole purpose of obtaining money or other advantage from the trademark owner, with no intent or desire to use the domain name, except as an instrument toward this purpose.

Creating Likelihood of Confusion

The main function of a trademark is to prevent consumer confusion. A consumer knows that he or she can get the same quality food in a McDonald's in Chennai as he or she can from a McDonald's in Bangalore. Given our global economy, the importance of trademarks cannot be overstated. The law of trademarks is designed to prevent competitors from confusing customers into thinking that they are buying products and services from a trusted, known source when in reality, this is not the case. A competitor who uses a trademark that is confusingly similar to an existing trademark can be prevented from doing so by the application of trademark law. This usually occurs when the holder of the trademark raises a claim or sues the alleged infringer.

In order to prove trademark infringement, the owner of the trademark must show that there is a “likelihood of confusion”^{vi} between his or her trademark and the allegedly infringing mark. Over many years and many cases, the courts have set forth a list of eight to 13 elements that are relevant to this determination. This article will discuss the two or three most important of these elements and provide examples of how each element is applied in practice. The most important element of the likelihood of confusion analysis is a comparison of the appearance, pronunciation, meaning, and commercial impression of the respective marks. Obviously, if the marks are exactly the same in spelling and how they are pronounced, there is a greater chance of likelihood of confusion between the marks. It is important to note that slight misspellings or changes in an established mark will not enable a competitor to use his proposed mark. For example, a beverage manufacturer could not adopt the mark “Koka Kola,” because although this mark is spelled differently from the famous Coca-Cola mark, it is still pronounced the same.

Factors for Likelihood Confusion

1. the similarity in the overall impression created by the two marks (including the marks' look, phonetic similarities, and underlying meanings);
2. the similarities of the goods and services involved (including an examination of the marketing channels for the goods);
3. the strength of the plaintiff's mark;
4. any evidence of actual confusion by consumers;
5. the intent of the defendant in adopting its mark;
6. the physical proximity of the goods in the retail marketplace;
7. the degree of care likely to be exercised by the consumer; and
8. the likelihood of expansion of the product lines

Legal Issues

As stated in the above headings the Cybersquatting cannot be brought within a purview of a single Law. It can be brought under Trademark infringement in some cases, Deceptive similarity in some cases, passing off in some cases, but regarding my concern the Deceptive similarity and passing off suits it more even it is a Trademark infringement, though there are

no proper provisions to punish Cyber squatters across world, but developed countries like U.S, Canada, U.K are having provisions in their respective laws for this.

LEGAL RESOLUTION IN DIFFERENT COUNTRIES

The domain name disputes involving alleged bad-faith registration are typically resolved using the (UDRP)^{vii} process developed by the Internet Corporation for Assigned Names and Numbers (ICANN)^{viii}. Critics claim that the UDRP process favors large corporations and that their decisions often go beyond the rules and intent of the dispute resolution policy. A UDRP complaint may be initiated at UDRP proceeding with an approved dispute resolution service provider. A victim of cybersquatting may also file an Inter-NIC Registrar Problem Report regarding a cyber-squatter posing as a registrar.

Some countries have specific laws against cybersquatting beyond the normal rules of trademark law.

In U.S

The United States, for example, has the U.S. Anti-cybersquatting Consumer Protection Act.^{ix} This expansion of the Lanham (Trademark) Act (15 U.S.C.) is intended to provide protection against cybersquatting for individuals as well as owners of distinctive trademarked names.

Australia

Any citizen of Australia over the age of 16 can obtain an ABN^x (which is free) and use it to register as few or as many domain names as they like but they need to have a "close and substantial" connection to the name or it needs to be an "exact match, abbreviation or acronym" of their name.

Internationally

The copyright agency of United Nations, WIPO^{xi} has provided an arbitration system since 1999, wherein a trademark holder can attempt to claim a squatted site. In 2006, there were 1823

complaints filed with WIPO, which was a 25% increase over the 2005 rate. In 2007 it was stated that 84% of claims made since 1999 were decided in the complaining party's favor.

WORLDWIDE SPECIFIC RESOLUTION SYSTEMS

ICANN

To reach another person on the Internet you have to type an address into your computer -- a name or a number. That address must be unique so computers know where to find each other. ICANN coordinates these unique identifiers across the world. Without that coordination, we wouldn't have one global Internet.

In more technical terms, the Internet Corporation for Assigned Names and Numbers (ICANN) coordinates the Domain Name System (DNS), Internet Protocol (IP) addresses, space allocation, protocol identifier assignment, generic (gTLD) and country code (ccTLD) Top-Level Domain name system management, and root server system management functions. These services were originally performed under U.S. Government contract by the Internet Assigned Numbers Authority (IANA) and other entities. ICANN now performs the IANA function.^{xii}

Uniform Domain Name Dispute Resolution Policy

For coordinating the assignment of Internet domain names, ICANN has established the Uniform Domain Name Dispute Resolution Policy (UDRP). The UDRP is “an alternative form of dispute resolution [designed] to combat cybersquatting”.^{xiii} As such, dispute resolution under the UDRP provides a quick and less expensive solution to cybersquatting.

To bring a successful claim under the UDRP, a complainant must establish that the domain name is “identical or confusingly similar to a trademark or service mark in which the complainant has rights,” the registrar has “no rights or legitimate interests” in the domain name, and the “domain name has been registered and is being used in bad faith.”^{xiv} Mark owners can bring UDRP administrative proceeding claims against registrants of domain names; as long as the registrants have registered the domain names through an ICANN accredited registrar.^{xv}

These are the two main dispute resolution system for Cyber-squatting issues globally.

U.S THE LEADING PROTECTOR

Anti-cybersquatting Consumer Protection Act^{xvi}

The U.S is the leading country to enact specific law for protecting consumers from Cyber-squatting. This expansion of the Lanham (Trademark) Act (15 U.S.C.) is intended to provide protection against cyber squatting for individuals as well as owners of distinctive trademarked names.

A victim of cyber squatting in the United States has two options:

- sue under the provisions of the Anti cyber squatting Consumer Protection Act (ACPA), or
- use an international arbitration system created by the Internet Corporation of Assigned Names and Numbers (ICANN).

In court system, jurisdiction is often a problem, as different courts have ruled that the proper location for a trial is that of the plaintiff, the defendant, or the location of the server through which the name is registered.

INDIAN SCENARIO

In India victims of cyber squatting have several options to combat cyber squatting. These options include: sending cease-and-desist letters to the cyber squatter, bringing an arbitration proceeding under ICANN's rules, or bringing a lawsuit in state or federal court. Whatever strategy a victim of cyber squatting elects to use, that person should not dismiss the serious effects that cyber squatting can have if left unchecked.

A case could be filed with the .in registry handled by National Internet Exchange of India (NiXI) who brings the matter to fast track dispute resolution process whereby decisions are transferred within 30 days of filling a complaint.

Like always our legal system is silent on this matter too, there is no provision in the current or proposed Information Technology Act in India to punish cyber-squatters, at best, the domain can be taken back. Though there is no legal compensation under the IT Act, .in registry has taken proactive steps to grant compensation to victim companies to deter squatters from further stealing domains. Most squatters however operate under guise of obscure names.

CASE STUDY

In U.S

Intermatic Inc. v. Toeppen^{xvii}

Plaintiff Intermatic, owner of the trademark INTERMATIC in connection with electronic equipment, sought to enjoin defendant Toeppen from using the domain name “intermatic.com.”

In addition to registering “intermatic.com,” Toeppen had registered over 200 domain names containing names of well-known companies. Toeppen never used the domain name “intermatic.com” to sell or promote any goods or services over the Internet. His “intermatic.com” website initially contained information about a software program he was developing called “Intermatic,” but after a week he replaced the contents of the site with a map of Champaign-Urbana, Illinois. Toeppen did, however, intend to profit by selling or licensing the domain name to Intermatic. Intermatic filed a motion for summary judgment. Although the court found that certain factors weighed in favor of Intermatic on its infringement claim, summary judgment was inappropriate on that claim because of factual disputes on other factors (similarity in products, no evidence of actual confusion, and whether Toeppen willfully intended to pass his products off as those of Intermatic). The court, however, granted summary judgment to Intermatic on its dilution claim under the Federal Dilution Act, finding that INTERMATIC was a famous mark and that Toeppen’s intent to arbitrage the “intermatic.com”

domain name constituted a “commercial use” under the Act. The court permanently enjoined Toeppen from using the mark INTERMATIC, from taking any action to prevent Intermatic from obtaining the domain name “intermatic.com,” and from asserting any further interest in that domain name.

In India

Yahoo! Inc. v. Akash Arora and another,^{xviii}

Case Facts:

Yahoo Incorporation is the owner of the well known trade mark, Yahoo and of the domain name Yahoo.com; both the trademark and the domain name acquired a distinctive name, good will and reputation. Yahoo.com had been registered by Yahoo Inc with Network Solution Inc since 1995 and offers a whole range of web based services. The trade mark Yahoo had been registered or was close to being registered in 69 countries. Yahoo Inc had not registered its domain name in India. Akash Arora started to offer web-based services similar to those offered by Yahoo.com under the name of Yahoo India. Yahoo Inc had sued Akash Arora for using a trade mark deceptively similar to its own and passing off his services as those offered by Yahoo Inc.

Issue:

Whether the act of Akash Arora in registering the domain name Yahoo India, to offer services similar to those offered by Yahoo Inc, is an infringement of the trade mark of Yahoo Inc and amounts to passing-off under the relevant sections of the Trademark and Merchandise Act?

Rule of Law:

When a defendant does business under a name which is sufficiently close to the name under which the plaintiff is trading and that name has acquired a reputation and the public at large is likely to be misled that the defendant's business is the business of the plaintiff, or is a branch or department of the plaintiff, the defendant is liable for an action in passing off.

Analysis:

Yahoo Inc contended that Akash Arora adopted the domain name of Yahoo to offer services similar to those of Yahoo Inc and had attempted to cash in on the good will generated by Yahoo Inc. because there was every possibility of an Internet user getting confused and deceived, believing that both the domain names, Yahoo and Yahoo India belong to Yahoo Inc.. Therefore, Yahoo Inc. argued that Akash is liable for passing off.^{xix}

As the two trademarks/domain names 'Yahoo!' and 'Yahoo India!' were almost similar and the latter offered services similar to those offered by the former and as the latter passed them off as being offered by Yahoo Inc., the court held Akash liable for passing off and restrained him from using the deceptively similar domain name.

The decision of the court in this case is based on the rationale that where the value of a name lies solely in its resemblance to the name or trade mark of another organization, the public is likely to be deceived by the use of such name and such act would amount to passing off.

Critical Analysis:

By analyzing the above cases the courts gave same decision both in India and in U.S that Cybersquatting amounts to Trademark dilution and Passing off, it seems that Cybersquatting is a serious case of Trademark infringement and there are legal remedies available for the persons who affected. Though it is a newly developed scenario in IP law and most of the IP laws not having enough provisions to punish the Squatters the courts are acting brilliantly and doing a good job in making good decisions.

CONCLUSION

The current situation prevailing in the world is certain that cybersquatting is a menace. It is a menace which has no boundaries. In my opinion, it is similar to terrorism. The only difference is that in the latter human life is affected. Cyber squatters have robbed businesses of their fortune. Looking from the Indian perspective cybersquatting has been prevalent since internet came to the subcontinent. The courts in India have decided many cases related to

cybersquatting. It is the imperative for the parliament to enact a law which would deal with this Cyber terrorism. As for as now there is no specific law which prohibits cybersquatting like that of the United States.

Cybersquatting has opened the eyes of governments globally and has prompted them to look into this phenomenon in a serious manner. The United States by enacting the ACPA (Anti cybersquatting Consumer Protection Act), has taken an encouraging step in protecting domain names in its cyberspace. It is high time India and other countries come out with legislations to protect this virus from spreading. If India enacts a specific law for protecting Trademarks from Cybersquatting then it will be “One small step for a man, a giant leap for the Mankind” as said by Neil Armstrong.

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