

NAVIGATING THE CYBER LANES: INTERNATIONAL COMMERCIAL ARBITRATION IN THE REALM OF DOMAIN NAMES

by

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ABSTRACT

Cybersquatting refers to the act of intentionally register domain names that mimic established trademarks, aiming to profit from later selling them to the original trademark holders. The rapid expansion of the internet has intensified this problem, affecting businesses globally and giving rise to a significant area of conflict in intellectual property and domain name law. The Internet Corporation for Assigned Names and Numbers' (ICANN) Uniform Domain-Name Dispute-Resolution Policy (UDRP), offer alternative arbitration mechanisms to deal with the issue of cybersquatting as traditional trademark law often falls short to address it sufficiently.

This paper discusses the function of UDRP in tackling cybersquatting through an efficient arbitration process, including the procedural requirements necessary to initiate a domain dispute claim. Furthermore, the role of the World Intellectual Property Organization (WIPO) in providing specialized arbitration and mediation for domain name conflicts is explored, highlighting the impartiality, expedited processes, and qualified adjudicators that WIPO offers to affected parties.

The paper looks into the Indian approach where protection for domain names remains underdeveloped. Even with no laws concerning cybersquatting, Indian courts have taken recourse to common law and extended protection to domain names via the scope of passing off. The paper also seeks to analyze the effectiveness of introduction of the .IN Dispute Resolution Policy (INDRP) in curbing cybersquatting.

Introduction

The internet is expanding at an exponential rate and with that expansion comes a barrage of new areas for conflict. One such area is the issue of domain names.¹ Domain names serve as distinctive labels for locating websites, directing email, and facilitating various online activities.² However, with the expansion of internet also comes the issues of cybersquatting through which many a domain names are infringed upon and used depriving the original user of the profits. Instances of Cybersquatting have been increasing in number exponentially and it is a problem that transcends geographical borders. Its impact on businesses worldwide has been substantial, prompting governments across the globe to address this issue with great seriousness. Since 1998, some domain name disputes, notably those alleging trademark infringement, have been referred to arbitration rather than the court system. The majority of the domain name arbitration literature is written by people who are familiar with computer law or intellectual property law.³

Chapter 1. Domain Names & Legal Identity

Each domain corresponds to various Internet Protocol (IP) numbers that establish connections with computers worldwide, facilitating the delivery of data to the intended recipient through routing systems. It's important to note that every domain name on the internet is distinctive, and no two websites can share the same domain name.⁴ Domain names further comprise of two parts; Top Level Domain (TLD) and Second Level Domain (SLD).⁵ For example, in “google.com”, “google” is the SLD and “.com” is the TLD. The debate surrounding the introduction of new domain name extensions has persisted for quite some time.⁶ The Internet Corporation for Assigned Names and Numbers (ICANN) plays a significant role in acknowledging domain names and their various extensions. In recent years, there have been advancements that permit the registration of domain names using non-ASCII characters,

¹ By the end of 2018, there were a total of 358.1 million registered domain names, with 2.1 million of them originating from India. See. Internet Grows to 351.8 Million Domain Name Registrations in the First Quarter of 2019 | VeriSign, Inc., <https://investor.verisign.com/news-releases/news-release-details/internet-grows-3518-million-domain-name-registrations-first/> (last visited Oct 31, 2023).

² A Michael Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE LAW JOURNAL.

³ Stephen J Ware, *DOMAIN-NAME ARBITRATION IN THE ARBITRATION-LAW CONTEXT: CONSENT TO, AND FAIRNESS IN, THE UDRP*.

⁴ Shaunak Deshpandei, *Cyber Squatting: -A Study of Legal Framework in India*, 3.

⁵ Domains and Domain Names: What They Are and 10+ Examples, <https://blog.hubspot.com/website/what-is-a-domain> (last visited Oct 31, 2023).

⁶ Deshpandei, *supra* note 4.

including scripts like Arabic and Chinese.⁷ Consequently, it has become easier for cybersquatters to register a website that is indistinguishable from that of a trademark holder, albeit with a different top-level domain (TLD) like “.ooo or .app”. Since these TLDs have relatively few websites registered under them, the likelihood of cybersquatters successfully securing a popular domain name with these TLDs has increased.

Registering a domain name is a necessary step to have a presence on the internet. Domain names can be registered through an ICANN-accredited registrar.⁸ Once registered, a domain name can be used to create a website or email address. Domain names must be renewed annually, so it is important to do so in a timely manner to avoid losing ownership of the domain.

Chapter 1.1. Cybersquatting

The Intellectual Property Laws of nations prohibits multiple registrants from having identical domain names, which has resulted in there been a rush among people to secure numerous popular domain names.⁹ The issue arises when individuals deliberately register or reserve domain names associated with existing trademarks with the aim of later selling them, a practice commonly referred to as cybersquatting. Cybersquatters have been described as individuals who seek to profit by initially acquiring and then reselling or licensing domain names to the companies that invested significant resources in building the reputation of their trademarks, even though the domain names were not originally owned by the squatters.¹⁰ To tackle the issue of cybersquatting, the judicial system has taken the approach of utilizing conventional trademark infringement and dilution laws to handle cases brought forth by those who have fallen victim to cybersquatting. Nevertheless, as time has shown, trademark law has proven to be insufficient within the online domain when it comes to offering a solution for trademark owners.¹¹

⁷ The ASCII (American Standard Code for Information Interchange) character set includes 128 characters, which consist of the Latin alphabet, numerals, punctuation marks, and various control characters. These characters are represented by a 7-bit binary code. Non-ASCII characters, on the other hand, encompass a wide range of characters used in different writing systems, languages, and symbols that go beyond the basic ASCII set.

⁸ Deshpandei, *supra* note 4.

⁹ Anahid Chalikian, *Cybersquatting*, 3 J. LEGAL ADVOC. & PRAC. 106 (2001).

¹⁰ *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1233-34 (N.D. Ill. 1996).

¹¹ Chalikian, *supra* note 9.

Chapter 1.2. Need for Arbitration from an Indian Perspective

Many Indian businesses have recently suffered the harmful impacts of cybersquatting. It is important to note that India's legal position differs greatly from that of Western countries. India lacks a dedicated Domain Name Protection law to address cybersquatting charges.¹² In the case of *Satyam Infoway Ltd. v. Sifynet Solutions*¹³, the Supreme Court held that "As far as India is concerned, there is no legislation which explicitly refers to dispute resolution in connection with domain names. ...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." Further, the terms "cybersquatting" is not defined in the Information Technology Act, 2000, the Trademarks Act, 1999, or the Arbitration Act, 1996. Because there is no proper legislation in picture, the Courts in India maintain that domain names should be afforded legal protection to the fullest extent possible under laws pertaining to the doctrine of passing off.¹⁴ In India, this legal principle was developed through judicial decisions, and all High Courts were in unanimous agreement on this matter, a consensus that was subsequently endorsed by the Supreme Court.

In absence of any concrete laws, people in India prefer to go for arbitration than court of law. it not only provides the benefits of speedy resolution and cost effectiveness that general form of arbitration provides, but also since most of the cases of cybersquatting happens cross countries, it is easier and more convenient for people to turn to alternative methods of dispute resolution in this field, particularly the Uniform Domain Name Dispute Resolution Process (UDRP) established by the Internet Corporation for Assigned Names and Numbers (ICANN) and the World Intellectual Property Organization (WIPO) Arbitration and Mediation Council.¹⁵ This preference for alternative methods instead of relying solely on formal legal procedures has been observed more in recent years due to rising cases of cybersquatting.

Chapter 2. International Arbitration and Domain Name Issues

¹² Deshpandei, *supra* note 4.

¹³ *Satyam Infoway Ltd. v. Sifynet Solutions*, (2004) AIR 2004 SC 3540.

¹⁴ When an individual sells their goods as if they were the products of someone else, the trademark owner has the right to take legal action, as this constitutes a case of passing off. Passing off is a legal remedy used to preserve or defend the reputation and goodwill associated with an unregistered trademark. *see*. Subodh Asthana, *Know More about the Concept of Passing off in Trademark Act, 1999*, IPLEADERS (Oct. 15, 2019), <https://blog.ipleaders.in/trademark-passing-off/> (last visited Nov 1, 2023).

¹⁵ Allon Lifshitz, *Cybersquatting*, 38 HARV. J. ON LEGIS. 529 (2001).

Chapter 2.1. Uniform Domain Resolution Policy (UDRP)

Trademarks have geographical restrictions and legal rights are awarded through a controlled registration process, whereas domain names have worldwide reach and technical addresses are assigned on a first-come, first-served basis. The availability of a fast-track method for resolving disputes relating to abusive domain name registration has been and continues to be critical for both trademark owners and consumers.¹⁶

In 1999, ICANN recognized this and for this reason established UDRP for resolving disputes that were arising out from domain name infringements. This process is especially designed to address cases involving unambiguous rights on the part of the trademark owner and a lack of rights or legitimate interests on the part of the domain name registrant, involving direct abuse of trademarks through domain name registrations. In essence, the system is meant to prevent abusive domain name registration (cybersquatting) and is not intended to resolve complex legal problems between parties, such as those emerging from earlier economic relationships.¹⁷ The UDRP is a set of rules that apply when you register a domain name through a registrar. If someone claims you shouldn't have that domain, you have to follow a specific process to decide if it should be transferred or deleted. As a result, the registrant accepts from the start, from the date of registration of a domain name, that if a third party, whose trademark right was violated by the registration of the domain name, initiates a UDRP proceeding, the registrant will accept to be a party in the proceedings and will be bound by the decision, without access to courts being denied.¹⁸ UDRP derives its authority from a contract similar to all extrajudicial alternative dispute resolution procedures. When the UDRP was initially developed, there was a debate about whether to make arbitration a compulsory component of the dispute resolution process. In this scenario, domain name applicants would have been obligated, through the domain name registration agreement, to engage in arbitration for any disputes related to the domain name if requested by a third-party complainant. Recognizing the benefits of arbitration, it was recommended that a provision should be included in domain name registration agreements, allowing applicants to

¹⁶ Mihaela Maravelai, *APPLICABLE LAW IN DOMAIN NAME ARBITRATIONS.*, REVISTA ROMANA DE ARBITRAJ (2021).

¹⁷ *Id.* pg. 96.

¹⁸ Elliott Geisinger and Nathalie Voser (eds), *International Arbitration in Switzerland: A Handbook for Practitioners (Second Edition)*, 2 KLUWER LAW INTERNATIONAL (2013).

voluntarily choose arbitration as a means of resolving any disputes related to their domain names.¹⁹

The submitted grounds must comply to the following fundamental elements in order to qualify as a complaint in domain name dispute resolution:

- 1) Prove that the domain name is close to or identical to the trademarked domain name.
- 2) Make a strong case for why the infringement has no valid rights to the domain name.
- 3) Make a case for why the domain name is being used maliciously rather than mistakenly.

While these principles are intended to safeguard the interests of the aggrieved party, it is important to emphasise that the responder or alleged infringer is allowed to submit their defence. The arbitration panel must decide if the complaint fits the stipulated requirements. Only following this examination will the panel be able to decide whether or not to terminate a domain name and maybe grant compensation.²⁰

If the offended party seeks additional legal remedies or damages, they must take the matter to court within a certain term, as the panel lacks the ability to offer relief or make damage judgements.²¹

Chapter 2.1. WIPO Arbitration and Mediation Centre

Since the foundation of the UDRP, WIPO has played a critical role in domain name dispute settlement. WIPO is well-known for its effectiveness and offers the following main features:

- 1) A panel of highly qualified adjudicators and arbitrators to ensure that rulings are fair and knowledgeable.
- 2) Administrative processes that are expedited in order to save time while settling disputes.
- 3) A dedication to providing judgements in an unbiased and impartial manner.²²

The World Intellectual Property Organization's Arbitration and Mediation Centre handles domain name issues by providing a specialised dispute resolution method for resolving domain name disputes. The process that is followed is as follows:

¹⁹ Marvela, *supra* note 16.

²⁰ Hetty Hassanah & Eman Suparman, *Legal Aspect of the Execution of Arbitration Online Decision in Domain Name Dispute*, 225. (2018).

²¹ *Id.*

²² Christopher Boog, *Arbitrating IP Disputes: The 2014 WIPO Arbitration Rules*.

The complainant commences the process by filing a complaint with the WIPO Centre, believing they have a legal claim to a domain name. This complaint details the basis for their claim as well as the domain name(s) in issue.²³ The case is presided upon by the arbitrators appointed by WIPO. The complainant is served with the complaint and given a set amount of time to respond, generally 20 days. Both parties then exchange written submissions, evidence, and arguments during the arbitration procedures.²⁴ When rendering their ruling, the arbitrators take this information into account. An award is issued by the arbitration panel. Based on the facts of the case and applicable legislation, this judgement may entail transferring, cancelling, or leaving the domain name with the responder. The registrar in charge of the domain name in question is obligated by the arbitration judgement and is responsible for putting it into effect. This entails transferring or cancelling the domain name in accordance with the award. In some situations, the scope for contesting or appealing the arbitration ruling is restricted. Such obstacles, however, are often restricted to specific procedural concerns.²⁵

Chapter 3. .IN Dispute Resolution Policy (INDRP)

India has its country-specific domain name extension in the form of “.in”. Disputes related to domain names under the “.in” top-level domain are managed and adjudicated by the authority known as the 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.²⁶

Individuals who believe that a registered domain name violates their legitimate rights or interests may file a complaint under the INDRP Rules of Procedure in the .IN registry.²⁷ The following reasons may be used to file a complaint:

- 1) If the Registrant's domain name is identical to or confusingly similar to a name, trademark, or service mark owned by the Complainant.
- 2) If the Registrant does not have any rights or legitimate interests in the domain name.
- 3) If the Registrant's domain name was registered or is being used fraudulently.

²³ *Id.*

²⁴ Phillip Landolt & Alejandro García, *Commentary on WIPO Arbitration Rules*.

²⁵ *Id.*

²⁶ Deshpandei, *supra* note 4.

²⁷ *Id.*

This method speeds up the resolving of domain name disputes. The .IN Registry operates as an autonomous entity within NIXI, with the primary duty for maintaining the operational integrity, dependability, and security of the .IN the country code top-level domain (ccTLD). In the case of *Youtube LLC V. Rohit Kohli*,²⁸ the defendant had registered the domain www.youtube.in which is similar to the trademark of YouTube LLC. The domain name was very similar with that of the complainant and hence it was changed. Similarly in *Vodafone Group Plc v. Rohit Bansal*²⁹ the Arbitrator held that the presence of bad faith on the part of the Respondent could be established if the Complainant could prove their rights to the VODAFONE trademark.

Moreover, both the UDRP and INDRP do not exclude the jurisdiction of a civil court in India. Therefore, if the aggrieved party intends to pursue compensation, they can file a complaint with the relevant civil court. Common law provides a wide range of remedies, and in many cases, the civil court can issue an order under the principles of passing off. This may include granting a permanent injunction to prevent the unauthorized use of the domain name.

Conclusion

WIPO has been instrumental in resolving disputes and developing clear principles in this sector. Developed countries, such as the United States, have passed strong cybersquatting regulations, such as the Anti-Cybersquatting Consumer Protection Act (ACPA). Since the introduction of the internet to the subcontinent, Indian businesses and trademark owners have experienced cybersquatting. Many instances involving cybersquatting have been determined by Indian courts, and redress has been sought under the Trade Mark Act and the law of passing off. The parliament must pass a domain name protection law that addresses cybersquatting and gives sufficient remedies to trademark owners. The introduction of the .IN Dispute Resolution Policy (INDRP) by the government is a step in the right direction.

The INDRP should be elevated to the status of law, rather than just remaining a guiding policy. The issue with it being a policy is that compliance is not mandatory, resulting in a lenient regulatory framework. While the INDRP is modeled after the UDRP, there are significant differences that hinder its application and effectiveness. These inconsistencies include procedural norms in the arbitration process under INDRP, as well as variations in the

²⁸ YouTube LLC v. Rohit Kohli, (2007) INDRP/42.

²⁹ Vodafone Group Plc v. Rohit Bansal, (2011) INDRP/052.

treatment of domain names. Therefore, it is imperative to align it more closely with the UDRP and formalize it into law to enhance its effectiveness and enforceability.

Further, under the Arbitration and Conciliation Act of 1996, all WIPO Arbitration and Mediation Centre rulings should be rendered binding in India. An amendment to the Information Technology Act of 2000 can be enacted to state that WIPO rulings, like other arbitration decisions deemed decrees under the Arbitration Act, can be appealed to the High Court, and execution petitions can be filed to enforce them appropriately. The ICAAN and WIPO verdicts will thereby relieve the overcrowded Indian court system.



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