

IN THE HIGH COURT OF DELHI AT NEW DELHI

O.M.P. 132 of 2007

Reserved on: November 24, 2011

Decision on: December 14, 2011

STEPHEN KOENIG Petitioner

Through: Mr. Shrawan Chopra with
Ms. Kruttika Vijay and
Ms. Saukshmya T., Advocates.

versus

ARBITRATOR, NATIONAL INTERNET
EXCHANGE OF INDIA (NIXI) & ANR Respondents

Through: Mr. Sushant Singh with
Mr. Prakash Arya, Ms. Vasundhara
Pathak Masoodi and
Mr. V.K. Shukla, Advocates.

With

O.M.P. No. 928 of 2011

(Arising out of transferred Suit No. 209 of 2006)

JAGDISH PUROHIT Petitioner

Through: Mr. Sushant Singh with
Mr. Prakash Arya, Ms. Vasundhara
Pathak Masoodi and
Mr. V.K. Shukla, Advocates.

versus

STEPHEN KOENIG Respondent

Through: Mr. Shrawan Chopra with
Ms. Kruttika Vijay and
Ms. Saukshmya T., Advocates.

CORAM: JUSTICE S. MURALIDHAR

JUDGMENT

14.12.2011

Introduction

1. The dispute regarding the domain name 'internet.in' forms the subject

matter of the present petitions under Section 34 of the Arbitration & Conciliation Act, 1996 ('Act') directed against an Award dated 5th July 2006 passed by the learned sole Arbitrator (Respondent No.1 in O.M.P. No. 132 of 2007) appointed by the National Internet Exchange of India ('NIXI').

2. Respondent No. 2 (in O.M.P. No. 132 of 2007) Mr. Jagdish Purohit filed a complaint before the .IN Registry of NIXI on 31st January 2003, under Para 4 of the .IN Domain Name Dispute Resolution Policy ('INDRP') to the effect that the domain name 'internet.in' registered by the Petitioner, Mr. Stephen Koenig, was identical and confusingly similar to the registered trade mark 'internet' of Respondent No. 2; that the Petitioner had no rights or legitimate interests in respect of the said domain name and that the Petitioner's domain name had been registered or was being used in bad faith. The Petitioner responded to the notice issued to him and defended the domain name registration in his favour.

3. The learned Arbitrator passed the impugned Award on 5th July 2006 in which inter alia he concluded that the domain name 'internet.in' should be struck off and confiscated and kept by the .IN Registry. He rejected the prayer of Respondent No.2 that the domain name should be transferred to him.

4. The Petitioner has in O.M.P. No. 132 of 2007 challenged the impugned Award primarily on the ground that it was contrary to the INDRP inasmuch as Respondent No.2 had failed to prove the ingredients of Para 4 thereof in order to succeed in his complaint and further that the learned Arbitrator exceeded his jurisdiction in ordering the confiscation of the domain name by the .IN Registry when no such remedy is provided in Para 10 of the INDRP.

5. Even prior to the Petitioner filing the present petition, Respondent No. 2 filed Suit No. 209 of 2006 in the court of the learned Additional District Judge, Delhi ('ADJ') challenging the Award to the extent that the learned Arbitrator had rejected the plea of Respondent No. 2 for transfer of the domain name in his favour. After notice was issued in the present petition, Respondent No. 2 filed Transfer Petition No. 14 of 2007 seeking transfer of the said Suit No. 209 of 2006 to this Court. By an order dated 30th November 2007 this Court allowed Transfer Petition No. 14 of 2007 and directed Suit No.209 of 2006 to be tagged with the present petition. It has been numbered as a separate petition under Section 34 of the Act. For the purposes of the present judgment Mr. Stephen Koenig is referred to as the Petitioner and Mr. Jagdish Purohit as Respondent No.2.

Preliminary objection as to limitation

6. Mr. Sushant Singh, learned counsel for Respondent No. 2, raised a preliminary objection that the petition by Mr. Stephen Koenig, O.M.P. No. 132 of 2007, was barred by limitation. He pointed out that the learned Arbitrator by a letter dated 5th July 2006 addressed to NIXI, a copy of which was also sent by email, enclosed a copy of the Award. In the said letter, the Arbitrator stated that he had sent a copy "of the letter and Award to parties also by e-mail." It is submitted that inasmuch as Respondent No.2 on receiving a copy of the Award filed Suit No. 2009 of 2006 on 6th October 2006 within time, there could not be a different date of commencement of the period of limitation for the purposes of Section 34 (3) as far as the Petitioner was concerned. The present petition was filed only on 9th March 2007 and the explanation offered by the Petitioner that he received a copy of the Award from NIXI only on 13th December 2006 after writing to it was not convincing. Placing reliance on the decisions in *Union of India v. Popular Construction Co. AIR 2001 SC 4010* and *Union of India v. Tecco Trichy Engineers & Contractors*

(2005) 4 SCC 239 it was contended that the Petitioner had failed to file the petition within the maximum permissible time as stipulated under Section 34 (3) of the Act read with the proviso thereto.

7. Mr. Shrawan Chopra, learned counsel for the Petitioner, on the other hand, maintained that the Petitioner was not aware of the passing of the impugned Award till he received a notice in Suit No. 209 of 2006. The Petitioner, through his counsel, immediately wrote a letter dated 25th November 2006 to the .IN Registry enquiring about the arbitral Award. By a letter dated 5th December 2006, received in the office of counsel for the Petitioner on 13th December 2006, NIXI informed the Petitioner of the passing of the Award and enclosed a copy of the Award. Thereafter the present petition was filed on 9th March 2007, within the stipulated three month period under Section 34 (3) of the Act.

8. The above submissions have been considered. Under Para 13 of the INDRP Rules of Procedure, the .IN Registry shall, “within five working days after receiving the decision from the Arbitrator”, “communicate the full text of the decision to each Party and shall also communicate to each Party, the date for implementation of the decision.” It is not clear in the present case whether the .IN Registry at any time prior to 5th December 2006 communicated to the parties the full text of the Award in terms of Para 13 of the INDRP Rules of Procedure. There is no provision therein for the Arbitrator to directly communicate the Award to the parties. Secondly, although counsel for Respondent No.2 has placed on record a copy of the letter dated 5th July 2006 of the learned Arbitrator to NIXI, there is nothing to show whether and when the copy sent by e-mail was in fact delivered to either of the parties, more particularly the Petitioner. This assumes significance in light of the denial by the Petitioner of having received a copy of the Award prior to 13th December 2006. As explained

by the Supreme Court in *Union of India v. Tecco Trichy Engineers & Contractors* (SCC @ 242) :

“The delivery of an arbitral award under sub-section (5) of Section 31 is not a matter of mere formality. It is a matter of substance. It is only after the stage under Section 31 has passed that the stage of termination of arbitral proceedings within the meaning of Section 32 of the Act arises. **The delivery of arbitral award to the party, to be effective, has to be “received” by the party.** This delivery by the Arbitral Tribunal and receipt by the party of the award sets in motion several periods of limitation such as an application for correction and interpretation of an award within 30 days under Section 33(1), an application for making an additional award under Section 33(4) and an application for setting aside an award under Section 34(3) and so on. As this delivery of the copy of award has the effect of conferring certain rights on the party as also bringing to an end the right to exercise those rights on expiry of the prescribed period of limitation which would be calculated from that date, **the delivery of the copy of award by the Tribunal and the receipt thereof by each party constitutes an important stage in the arbitral proceedings.**” (emphasis supplied)

9. The documents placed on record by Respondent No. 2 do not show when precisely a copy of the Award was delivered by e-mail or surface mail to the Petitioner. Given that the Petitioner is a resident of U.S.A, it is not safe to presume, as contended by Respondent No.2, that the date on which the copy was received by Respondent No.2 should be taken to be the date on which it was received by the Petitioner. There is no material placed on record to doubt the assertion of the Petitioner that he received a copy of the impugned Award only on 13th December 2006 from NIXI. Accordingly, this Court rejects the preliminary objection of Respondent No. 2 that the petition of Mr. Koenig is barred by limitation.

Background facts

10. Before dealing with the contentions of learned counsel for the parties

it is important to notice certain background facts concerning the registration of the domain name 'internet.in'.

11. It is of some interest, given the dispute involved in the present case, to note that the origins of 'internet' as an expression can be traced to a research network titled 'Advanced Research Project Agency Network' (ARPANET) established by the United States Department of Defense in the 1970s. ARPANET was meant to link with networks of other government agencies to form a 'network of networks.' The **Shorter Oxford English Dictionary**, (5th Ed., p. 405) defines 'internet' to mean "connect or be connected to a computer network; a computer network consisting of or connecting a number of smaller networks, such as two or more local area networks connected by a shared communications protocol." Internet Protocol ('IP') is defined as "a standard that specifies the format and addressing scheme of packets of data sent over the internet or other network."

12. The above dictionary meaning tells us that 'internet' is a now common word. It also acknowledges that to access a 'site' on the internet, the user usually has to key in an IP address. This is a combination of four groups of numbers separated by decimals, which is not easy to remember. Domain names on the other hand are 'mapped' on to an IP address to facilitate easy access to web sites. Domain names usually relate to the organisation or entity whose website is being accessed and can therefore be easily remembered. For example, the domain name nic.in is meant to indicate it to be that of the National Informatics Centre of the Government of India. A domain name can be divided into levels. For example, the domain name 'delhihighcourt.nic.in', has in the first level i.e. "delhi high court" which refers to the entity whose website it is, the second level is 'nic' which refers to the entity which hosts the server on which the

website is located and '.in' is the top level domain name ('TLD') which in this case is indicative of the geographical location of the website i.e. India. '.in' is in fact a country code Top-Level Domain ('ccTLD') as contrasted with a generic Top-Level Domain ('gTLD') like '.com' or '.org'.

13. On account of its uniqueness, a domain name can only map on to one IP address at a time. With the growing volumes of commercial transactions on the net, the intellectual property rights in domain names assume enormous significance. Disputes arise over registration of domain names using trademarks that are known and which are in use and may be registered in different jurisdictions. The root problem stems from the system of assigning domain names on a first-come-first-served basis. This permits well known and established trade names, brand names, company names, names of famous personalities, politicians to be 'captured' by a 'registrant' with little connection with such name and get it registered as a domain name. The problem is compounded with web browsers and search engines making it easy for a surfer to locate a website by simply typing the name of the company or product. However, where the 'registrant' of a domain name has 'captured' the trademark associated with that company or product and made it part of the domain name, the surfer is taken to a different location. Among the serious problems of the domain name system ('DNS') is "cyber squatting" resulting from deliberate and fraudulent registration of domain names using well-known trademarks with the intention of selling them to the owners of those trademarks at a huge price. Cyber squatters could also sell these domain names to any other person for a price, thus 'diluting' a well known trademark or trade name.

14. This and the problems of 'cyber piracy', of 'trademark dilution' and a

host of other issues led to the formulation of the Uniform Domain Names Dispute Resolution Policy ('UDRP') as a result of consultations between the World Intellectual Property Organisation ('WIPO') and the Internet Corporation for Assigned Names and Numbers ('ICANN'), a non-profit organisation managing the DNS. The UDRP which was adopted on 24th October 1999, provides for a domain names dispute resolution mechanism before Administrative Panels of the WIPO Arbitration and Mediation Center.

15. The task of registering domain names world-wide has now been divided geographically but the basis of registration continues to be 'first-come-first served'. In India, NIXI, a company registered under Section 25 of the Indian Companies Act 1956 on 28th June 2005, formulated and adopted the INDRP as well as INDRP Rules of Procedure. NIXI brought out a Sunrise Policy in terms of which owners of registered Indian trademarks or service marks who wished to protect their marks were given the opportunity to apply for .IN domain names before the general public could. The idea of the Sunrise Policy was to give preference to Indian citizens and companies over entities abroad. The applications of owners of Indian trademarks or service marks were to be submitted to the Registry through an accredited Registrar and applications were to be accepted from 1st January 2005 to 21st January 2005. In order to be considered valid, a Sunrise application had to meet the following criteria:

“1. The trademark or service mark registration must have been issued by the Registrar of Trademarks, Government of India. The trademark or service mark owner must be eligible for the queue the application was submitted to.

2. The trade mark or service mark registration must be current (non-expired) and valid, and must have been issued in the applicant's name prior to December 31, 2004.

3. The domain name applied for must be identical to the textual or word elements of the trademark or service mark that is registered (discounting any domain extension element).

3a. The domain name applied for must be represented in ASC11 characters only. Only letters, digit, and hyphens will be accepted in a domain name. No applications for domain names in international script (including diacritical marks) shall be accepted.

3b. Spaces or punctuation that appear in trademark registrations can either be represented in the domain name by a hyphen, or can be disregarded. Similarly, ampersands (&) in the trademark can be disregarded, represented by a hyphen, or represented by the letters 'and' (or the equivalent term in the language of the trademark registration, subject to 3a above).

4. The applicant must submit proof of its trademark or service mark to the Registry for verification, as per the proof of trademark guidelines.”

16. Certain domain names have been reserved for use by the government, constitutional bodies and the Registry. Only letters, digits and hyphens were to be accepted in a domain name. No applications for domain names in international script (including diacritical marks) would be accepted.

Facts of the present case

17. In the instant case Respondent No. 2 on 17th March 2003 applied under the Trade Marks Act, 1999 ('TM Act') for registration of its trade mark 'internet' in respect of 'Tobacco, raw or manufactured, smokers articles, matches included in Class 34'. The trade mark certificate was issued on 13th July 2005 which, in terms of Section 23 (1) TM Act, nevertheless related to the date of the making of the application, i.e., 17th March 2003. Therefore, as far as Respondent No. 2 is concerned, it holds registration for the trade mark 'internet' under Class 34 with effect from

17th March 2003.

18. Admittedly, Respondent No. 2 did not avail of the sunrise policy of NIXI and therefore did not get any domain name registered using its trade mark. Meanwhile the Petitioner, a resident of the U.S.A., got the domain name 'internet.in' registered with the .IN Registry on 16th February 2005.

Pleas of the parties

19. On 31st January 2006 Respondent No. 2 submitted a complaint to the .IN Registry seeking the cancellation of the registration of the domain name 'internet.in' in favour of the Petitioner. Respondent No. 2 contended that he had been using its trade mark 'internet' for over three years. The domain name 'internet.in' was confusingly similar to his trademark 'internet'. The Petitioner had registered in the .IN Registry several domain names in which he had no right or trade mark. These included air.in, computer.in, ink.in, internet.in, toner.in, usa.in, wise.in. The Petitioner's intentions were to sell the domain name to either Respondent No. 2 or to another organization for a profit. It was alleged by Respondent No. 2 that the Petitioner had parked the domain name and was making money by luring customers to the website and tricking them into clicking on ads.

20. In response to the notice issued to him, the Petitioner contended that the burden was on Respondent No. 2 who held registration of a highly descriptive or generic word like 'internet' to prove that the word was at all capable of being a trade mark or had acquired a secondary meaning. Respondent No.2 had not adduced a single document of usage of the said trademark, the quantum and amount of sales under the trademark, the nature and extent of advertising, consumer surveys and media recognition. It was asserted that the Petitioner intends to "legitimately use the domain name as the identifier for internet related goods and services on a

website.” The INDRP did not make it mandatory for the Petitioner to conduct a trademark search in all classes before registering a domain name. Further, Respondent No. 2 had provided no evidence to the effect that the Petitioner knew of the rights of Respondent No. 2 in the mark ‘internet’ or ought to have known the same. It was submitted that Respondent No. 2 had not registered any domain names containing the word ‘internet’ in the popular gTLDs e.g., .com,.net, .org etc. so as to raise any inference or assumption, that the Petitioner ought to have had any indication of the rights of Respondent No. 2 in the domain name ‘internet.in’ Enclosing a copy of Whois results of the relevant domain names, the Petitioner pointed out that the domain names like internet.biz, internet.net etc. were all registered by different entities.

21. The Petitioner further asserted that he had not put up the domain name ‘internet.in’ for sale. A letter from SEDO GmbH, Germany confirming that the Petitioner’s domain names, including ‘internet.in’, “are not and have not been sale on our trading platform’ was enclosed with the reply. It was submitted that the Petitioner had over the years developed internet businesses like fax.de and toner.com for legitimate purposes and therefore, was a legitimate and a *bona fide* trading entity. The Petitioner has registered the domain name ‘internet.in’ in good faith to resolve a website to it for use in relation to internet related goods and services. It was desirous to use the domain name in respect of internet services and “this amounted to merely a generic or descriptive use.” The Petitioner specifically raised the plea of ‘reverse domain name hijacking’ by Respondent No. 2. The Petitioner alleged that the complaint itself was a blatant attempt by Respondent No. 2 to claim exclusive right in the domain name ‘internet.in’. The complaint had been filed with the sole aim to harass the Petitioner and usurp rights beyond the registration of Respondent No. 2. It was stated that Respondent No. 2 was free to register

a domain name like internettobacco.in, which related to its alleged activities. There was no proof adduced by Respondent No. 2 to show that the Petitioner's registration of the domain name 'internet.in' was in fact in bad faith or that the Petitioner wished to sell the domain name to Respondent No. 2 or to some other organization.

22. The Petitioner pointed out, on the basis of the information received by the Petitioner from other registrants against whom Respondent No. 2 initiated INDRP proceedings, that Respondent No. 2 had sought to monopolize several generic words such as business, web, jobs, hotels, etc. without a shred of evidence of use of the said words as trademarks. In fact, this was a clear indication of the bad faith of Respondent No. 2. It was, therefore, prayed that (i) the domain name should not be transferred to Respondent No. 2, (ii) finding of reverse domain name hijacking should be made and (iii) costs be imposed on Respondent No. 2 for blatant abuse.

The impugned Award

23. The learned Arbitrator, in the impugned Award dated 5th July 2006, concluded as under:

(a) The domain name 'internet.in' of the Petitioner herein was identical and confusingly similar to a trade mark of Respondent No. 2. However, Respondent No. 2 failed to show/prove that he had a right in the trade mark, which was a generic word;

(b) The Petitioner had no right or legitimate interest in the domain name;

(c) The Petitioner got registered the domain name 'internet.in' in

bad faith. He had registered the domain name in order to sell, transfer or rent it or to prevent other owners of the mark from reflecting the mark in a corresponding domain name.

(d) Consequently, the Petitioner was not entitled to retain the domain name and it was required to be struck off from the Registry;

(e) Respondent No. 2 was also not entitled to transfer of the domain name in his name as he had also not established in his *bona fide* rights in the trademark; and

(f) The Petitioner could not, in the circumstances, allege reverse domain name hijacking by Respondent No. 2.

(g) The domain name 'internet.in' was to be confiscated by the .IN Registry and kept with it.

Scope of the present proceedings

24. The scope of the present proceedings under Section 34 of the Act to interfere with the above reasoned Award of the learned Arbitrator is circumscribed by the grounds in Section 34 of the Act as explained in several judicial decisions. To warrant interference, it would have to be shown that the Award is opposed to the public policy of India as has been explained in *ONGC v. Saw Pipes Ltd. (2003) 5 SCC 705*. To recapitulate an award could be set aside (SCC, pp 727-728): “if it is contrary to: (a) fundamental policy of Indian law; or (b) the interest of India; or (c) justice or morality, or (d) in addition, if it is patently illegal. Illegality must go to the root of the matter and if the illegality is of trivial nature it cannot be held that the award is against public policy. Award could also be set aside if it is so unfair and unreasonable that it shocks the conscience of the

court. Such award is opposed to public policy and is required to be adjudged void.” Keeping the above principles in view, the court proceeds to examine the validity of the impugned Award.

The domain name is identical to the registered trade mark

25. The complaint of Respondent No. 2 before the .IN Registry was under Para 4 of the INDRP which corresponds to Para 4 (a) of the UDRP. Para 4 of the INDRP reads as under:

“4. Types of Disputes

Any person who considers that a registered domain name conflicts with his legitimate rights or interests may file a complaint to the .IN Registry on the following premises:

- (i) the Registrant’s domain name is identical or confusingly similar to a name, trademark or service mark in which the Complainant has rights;
- (ii) the Registrant has no rights or legitimate interests in respect of the domain name; and
- (iii) the Registrant’s domain name has been registered or is being used in bad faith.”

Para 4(a) of the UDRP reads thus:

“4. Mandatory Administrative proceedings.

This Paragraph sets forth the type of disputes for which you are required to submit to a mandatory administrative proceeding. These proceedings will be conducted before one of the administrative-dispute-resolution service providers listed at <http://www.icann.org/dndr/udrp/approved-providers.htm> (each, a “Provider”).

a. Applicable Disputes. You are required to submit to a mandatory administrative proceeding in the event that a third party (a “complainant”) asserts to the applicable Provider, in compliance with the Rules of Procedure, that

- (i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.”

26. There are at least four differences between the above para 4 of the INDRP and the corresponding Para 4 (a) of the UDRP. The first is the opening part of Para 4 of the INDRP indicating the ‘premises’ on which a complaint could be filed is absent in para 4 (a) UDRP. This is significant when read with the last line at the end of Para 4 (a) UDRP which states: “In the administrative proceeding, the complainant must prove that each of these three elements are present.” The said line is absent in Para 4 INDRP. This is the second difference. The third difference is that at the end of sub-para (i) of Para 4 UDRP, the word ‘and’ figures. The fourth is that in sub-para (iii) of Para 4 of the UDRP it is to be shown by the complainant that the Registrant’s domain name has been registered **and** is being used in bad faith. It is not for the court to speculate whether these differences in Para 4 INDRP were intentional or accidental. However, the court has to interpret the INDRP as it exists. It is not expected to supply the omissions read into the INDRP words that are absent.

27. The learned Arbitrator proceeded on the basis that in terms of Para 4 (i) INDRP the burden was on the complainant to show that (a) the domain name was confusingly similar to the trademark of the complainant and that (b) the complainant has a right in the trademark. As regards the first

limb, it was urged before the Arbitrator, and reiterated before this Court by Mr. Shrawan Chopra learned counsel on behalf of the Petitioner that merely because the sentence at the end of Para 4 (a) UDRP was absent in Para 4 INDRP did not mean that the burden of proof was not on the complainant. He referred to Sections 101, 102 and 103 of the Evidence Act, 1872 to urge that the complainant had to show how the domain name was confusingly identical to the registered trademark. Secondly, it was submitted that the complainant's registration was for the logo mark 'internet' which did not give him any rights in the word *per se*. Thirdly, the complainant had not adduced evidence of use of the trademark 'internet' in relation to tobacco, matches or any products. Since 'internet' was a generic word and Respondent No. 2 had failed to show that the word mark had acquired any secondary meaning, he could not be said to have any rights over the trademark. Lastly, since the Petitioner intended to use the domain name for internet related services, as a generic word there could be no confusion with the logo 'internet' registered for tobacco.

28. Countering the above submissions, it was urged by Mr. Sushant Singh, learned counsel for Respondent No. 2 that even if the domain name were to be used for internet related services, there was bound to be confusion since it was identical to the registered mark of Respondent No. 2. In any event, Respondent No. 2 had by securing registration of the trademark in his favour demonstrated his right in the mark, irrespective of its use or the fact that it was a generic word. Relying on the observations of this Court in *Manish Vij v. Indra Chugh 97 (2002) DLT 1* it is submitted that where no exclusivity can be granted to marks that are generic, the Court should permit the registered owner of the trademark to use it in relation to tobacco, the goods for which it was registered and in relation to which it would be distinctive rather than permit a domain name holder of the generic word to use it in a generic sense in relation to

internet related activity.

29. Para 4 INDRP is different from Para 4 (a) UNDRP in a significant way. While each of the sub-paras (i) to (iii) of Para 4 (a) of UNDRP are required to be 'proved' by the complainant cumulatively, as far as Para 4 INDRP is concerned the complainant can file a complaint on the 'premises' outlined in sub-paras (i) to (iii) of Para 4. There is no requirement that "each of the three elements" are shown to exist. If this is understood in light of the fact that the conjoint "and" is missing at the end of sub-para (i) of Para 4 INDRP, then it is possible to interpret Para 4 INDRP to mean that a complainant can succeed if he proves that the ground in sub-para (i) exists by itself. Alternatively he can succeed if he proves that the grounds in sub-paras (ii) and (iii) exist.

30. Taking up the ground in Para 4 (i) INDRP, it is seen that Respondent No. 2 was required to establish that (a) the domain name registered in favour of the Petitioner was identical or confusingly similar to the registered trademark of Respondent No. 2 and (b) that Respondent No. 2 had rights in the trademark. By and large Para 4 (i) INDRP mirrors the law relating to passing off and infringement of trademarks. In *Satyam Infoway Limited v. Siffynet Solutions (P) Limited (2004) 6 SCC 145* the Supreme Court held that "a domain name may have all the characteristics of a trademark and could found an action for passing off". It was observed that "Ordinary consumers/users seeking to locate the functions available under one domain name may be confused if they accidentally arrived at a different but similar website which offers no such services. Such users could well conclude that the first domain name had misrepresented its goods or services through its promotional activities and the first domain owner would thereby lose its custom." For the purpose of passing off, it was necessary that the complaint has to establish that there was likelihood

of confusion in the minds of the public (the word 'public' being understood to mean actual or potential customers or users) allowing for 'imperfect recollection of a person of ordinary memory'.

31. There is little difficulty in concluding in the instant case that the domain name 'internet.in' and the trademark 'internet' are identical. The said domain name is likely to cause confusion in the minds of actual or potential customers with 'imperfect recollection' as regards the source of the goods and services when going on the net to search for a website using the said domain name. The mere fact that the goods for which Respondent No. 2 holds registration is different from internet related services which the Petitioner proposes to offer using the domain name does not mitigate the possibility of such confusion, given the nature of e-commerce and the range of products that can be purchased on the net. The finding of the learned Arbitrator that Respondent No. 2 complainant had proved the first limb of Para 4 (i) INDRP that the domain name was identical to the registered trademark of Respondent No. 2 and was confusingly similar does not call for interference.

32. The second limb of Para 4 (i) of the INDRP required the complainant to show that he had a right in the trademark. While in terms of the opening part of Para 4 INDRP the complainant has to aver that the "registered domain name conflicts with his legitimate rights or interests", what he has to prove in terms of Para 4 (i) is only that he has rights in the trademark. For the purpose of Para 4 (i) INDRP the fact that Respondent No. 2 held a registration for the trademark 'internet' was sufficient to show that he had a right in the mark. This position flows from a reading of Section 28 (1) TM Act, which gives the registered proprietor of a trademark "the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered..."

This read with Section 31 of the TM Act, which raises a presumption of validity of the registration, places the registered proprietor of a mark in a better position than a non-registered one for the purposes of Para 4 (i) INDRP.

33. The learned Arbitrator appears to have proceeded on the basis that since the word mark was generic, and Respondent No. 2 had not demonstrated any use of the said mark, Respondent No. 2 had no 'legitimate' right in the mark. This Court is unable to appreciate the said finding which appears to overlook the statutory provisions of the TM Act referred to above which do confer rights on the registered proprietor of a mark. These were not proceedings where the Petitioner was challenging the validity of the registration and therefore the discussion on whether the mark was generic was not apposite in the context of Para 4 (i) INDRP. For the purposes of Para 4 (i) it was more than sufficient for Respondent No. 2 to be a registered proprietor of the trademark in question in order to show that he had a right in it.

34. The facts in *Satyam Infoway Limited v. Siffynet Solutions (P) Limited* show that there the dispute was in relation to registration of two phonetically similar sounding domain names, and not a dispute involving a registered domain name and an identical registered trademark. This explains why the said dispute concerned 'passing off' and not infringement. In *Masnish Vij* again the dispute concerned passing off and involved two competing domain names. Further, the decision was rendered at a time when the INDRP had not been made operational. In the considered view of the Court, in the present case as long as Respondent No. 2 was a registered proprietor of the mark 'internet' and the validity of the said registration was not challenged in the manner known to law by the Petitioner or anyone else, Respondent No. 2 must be held to have

demonstrated his interest and right in the said trademark for the purposes of the second limb of Para 4 (i) INDRP.

35. In other words, as far as the present case is concerned, Respondent No. 2 had satisfactorily proved that the domain name was identical to the registered trade mark; that it was likely to cause confusion and that Respondent No. 2 had rights in the trade mark.

36. At this stage it is necessary to clarify that while this might suffice for the purposes of Para 4 (i) INDRP, it would not *ipso facto* entitle Respondent No. 2 to ask for transfer of the domain name in his favour under Para 10 INDRP, which aspect is discussed later.

Petitioner not having right or legitimate interest in the domain name

37. In view of the interpretation placed by this Court on Para 4 INDRP, it is moot whether, as was required of a complainant invoking Para 4 (a) UNDRP, Respondent No. 2 was required to further prove the grounds in Para 4 (ii) and 4 (iii) INDRP as well. Nevertheless, since the learned arbitrator has dealt with the said grounds as well, and arguments have also been advanced by learned counsel for the parties, the validity of the decision of the learned Arbitrator in that regard is also examined.

38. At the outset, this Court concurs with the view of the learned Arbitrator that once the complainant discharges the initial burden of showing that the Petitioner had no legitimate interest in the domain name, the burden of showing that he did have such interest shifted to the Petitioner. In this context Para 7 INDRP is relevant and reads as under:

“7. Registrant’s Rights to and Legitimate Interests in the Domain Name

Any of the following circumstances, in particular but without

limitation, if found by the Arbitrator to be proved based on its evaluation of all evidence presented, shall demonstrate the Registrant's rights to or legitimate interests in the domain name for the purposes of Paragraph 4 (ii):

(i) before any notice to the Registrant of the dispute, the Registrant's use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;

(ii) the Registrant (as an individual business, or other organization) has been commonly known by the domain name, even if the Registrant has acquired no trademark or service mark rights; or

(iii) the Registrant is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”

39. The learned Arbitrator has found, and in the view of this Court rightly, that Respondent No. 2 had discharged the initial burden of showing that the Petitioner had no legitimate interest in the domain name and that the Petitioner thereafter failed to prove the existence of any of the ingredients of Para 7 viz., the Petitioner's “ use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services”, that he is “commonly known by the domain name even if he has no trademark” or that he is “making a legitimate non-commercial or fair use of the domain name.” In fact learned counsel for the Petitioner was not able to persuade this Court to hold to the contrary. This part of the impugned Award therefore calls for no interference.

Petitioner's domain name registration was in bad faith

40. As regards the final limb of Para 4 (iii) INDRP the learned Arbitrator

has held that the registration of the Petitioner's domain name was in bad faith. Learned counsel for the Petitioner relied on a number of decisions handed down by the WIPO Arbitral Tribunal to contend that the bulk registration of domain names for ultimate sale to prospective buyers was *per se* not an illegal or illegitimate activity. He reiterated the submission that even a search of the Trade Marks Registry at the time of the Petitioner applying for domain name registration would not have shown that Respondent No. 2 was a registered proprietor of the trade mark 'internet'. A distinction had to be drawn between 'cyber squatting' which Respondent No. 2 failed to show the Petitioner to be indulging in, and mere 'speculative registration' which was permissible in law. Importantly, the Petitioner had never offered the domain name for sale either to the Petitioner or to anyone else and was genuinely interested in offering internet related services using the domain name.

41. Learned counsel for Respondent No. 2 countered the above submissions by pointing out that the Petitioner was known to 'capture' famous marks by getting domain names registered in thousands and having them parked with web based domain name selling sites like SEDO. He too referred to decisions of the WIPO Arbitral Tribunal to urge that the element of bad faith registration was fully made out in the facts and circumstances of the present case. He pointed out that with the registration of the trade mark relating to the date of application, the fact remained that the Respondent held the registration prior to the registration of the domain name in favour of the Petitioner.

42. In order to appreciate the above submissions a reference may be made once again to Para 4 (iii) INDRP which states that a complainant may seek the cancellation of the registration of a domain name on the premise that it "has been registered or is being used in bad faith." What can

constitute “bad faith” is explicated in Para 6 thereof which read as under:

“6. Evidence of Registration and use of Domain name in Bad Faith: For the purposes of paragraph 4 (iii), the following circumstances, in particular but without limitation, if found by the Arbitrator to be present, shall be evidence of the registration and use of a domain name in bad faith:

(i) circumstances indicating that the Registrant has registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the Complainant, who bears the name or is the owner of the trademark or service mark, or to a competitor of that complainant, for valuable consideration in excess of the Registrant’s documented out-of-pocket costs directly related to the domain name; or

(ii) the Registrant has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the Registrant has engaged in a pattern of such conduct; or

(iii) by using the domain name, the Registrant has intentionally attempted to attract internet users to the Registrant’s website or other on-line location, by creating a likelihood of confusion with the Complainant’s name or mark as to the source, sponsorship, affiliation, or endorsement of the Registrant’s website or location or of a product or service on the Registrant’s website or location.”

43. The learned Arbitrator has categorically found that the Petitioner as Registrant “has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name” and that the Registrant has engaged in a pattern of such conduct. The factors that led to this conclusion were that the Petitioner had registered 1747 domain names in .de Registry for the purpose of selling such domain names. Secondly, the .in domain names

were parked with SEDO which made it likely that the domain names were meant to be sold. Thirdly, the meta tags in the page of SEDO where the domain name internet.in was parked showed that the domain name was intended for ultimate sale.

44. This Court has examined the impugned Award of the learned Arbitrator as regards the above conclusions and is unable to discern any patent illegality, much less a finding that could be said to be contrary to the public policy of India. The learned Arbitrator was justified in doubting the purposes of the Petitioner in having to register as many as 1747 domain names to carry on its business. The learned Arbitrator held that although the Petitioner had countered the allegations of Respondent No. 2 about his indulging in cyber squatting, there was no evidence of the Petitioner proposing to carry on any business himself using the .in domain name in question. Additionally, it is difficult to believe that the Petitioner, who is obviously an experienced hand in registering domain names, did not do any homework before registering domain names in a series of generic words like internet, toner, computer, ink etc. with the .IN Registry. The Petitioner's plea that even if he had done a search in the Trade Marks Registry he would not have been able to detect that Respondent No. 2 was the registered proprietor of the trade mark 'internet' fails to convince this Court. As pointed out by Respondent No. 2 there was an obligation cast on the Registrant in terms of Rule 3 INDRP to ensure that "the registration of the domain name will not infringe upon or otherwise violate the rights of any third party." If indeed the Petitioner was getting a domain name registered using a generic word like 'internet' then at the bare minimum in order to demonstrate his *bona fide* intentions, he should have been able to show that he did make an effort to ascertain if he was conforming to the said requirement. The Petitioner appears to have made no such effort.

45. These factors have also to be examined in light of the fact that within an hour of the start of the .IN Registry there were around 7000 domain names registered, of which a vast majority was by a handful of speculators located outside India. According to Respondent No. 2, 3000 names were registered by only 30 individuals with some speculators registering over 500 names each. The Petitioner was one such speculator who was taking a chance at getting a number of .in domain names registered, using generic words, not with a view to himself conducting business using any of them. Even if the Petitioner was not going to offer 'internet.in' for sale to either Respondent No. 2 or anyone else immediately, he managed to prevent a registered proprietor of a trademark in that word using it as part of his domain name or getting a domain name registered in the said word mark. Further, the Petitioner had been shown to indulge in a pattern of getting domain names registered in bulk. This was sufficient in terms of Para 6 (ii) to render the registration as being in 'bad faith'. In the circumstances, the finding of the learned Arbitrator that in terms of Para 4 (iii) read with Para 6 (ii) INDRP, the Petitioner's registration of the domain name 'internet.in' was in bad faith does not warrant interference.

Consequential order

46. However, this Court finds merit in the contention of learned counsel for the Petitioner that the operative order of the learned Arbitrator was beyond the scope of Para 10 of the INDRP which reads as under:

“10. Remedies

The remedies available to a Complainant pursuant to any proceeding before an Arbitrator shall be limited to requiring the cancellation of the Registrant's domain name or the transfer of the Registrant's domain name registration to the

Complainant. Costs as may be deemed fit may also be awarded by the Arbitrator.”

47. In terms of Para 10 of the INDRP if the complaint succeeds then it should result in the cancellation of the domain name registration in favour of the Registrant “or” in the transfer of the domain name to the complainant. In this case, as held by the learned Arbitrator, Respondent No. 2 had successfully made out a case for cancellation of registration of the domain name. However, the further order of the learned Arbitrator directing confiscation and retention of the said domain name by .IN Registry is without any legal basis. There is no such provision in Para 10 of the INDRP. Going by the law explained by the Supreme Court in *MD, Army Welfare Housing Organization v. Sumangal Servies (P) Limited (2004) 9 SCC 619*, the learned Arbitrator ought not to have transgressed Para 10 of the INDRP to make such an order.

48. The cancellation of the registration of the domain name ‘internet.in’ in favour of the Petitioner would not automatically entitle Respondent No. 2 to its transfer in his favour. Clearly Respondent No.2 was unable to show that he was actually using the trademark ‘internet’ in his business. Additionally, the fact that the word ‘internet’ is generic and that the trademark ‘internet’ of Respondent No. 2 is therefore a weak one, are relevant considerations that support the decision of the learned Arbitrator to decline the prayer of Respondent No.2 for transfer of the domain name ‘internet.in’ in his favour.

49. Consequently, the impugned Award is upheld to the extent that registration of the domain name ‘internet.in’ in favour of the Petitioner has been directed to be struck off. The Award is also upheld to the extent that it holds that Respondent No.2 is not entitled to the transfer of the said

domain name in his favour. However, the direction in the impugned Award that the domain name 'internet.in' should be confiscated and kept by the .IN Registry is hereby set aside.

50. The challenge by Respondent No. 2 to the impugned Award in Suit No. 209 of 2006, which has been transferred to this Court, is hereby negated and OMP No. 928 of 2011 is dismissed. OMP No. 132 of 2007 is disposed of by modifying the impugned Award to the limited extent indicated hereinbefore.

S. MURALIDHAR, J

DECEMBER 14, 2011

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