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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Reserved on: 14.09.2015
Pronounced on: 02.11.2015

+ **FAO (OS) 42/2012**

STEPHEN KOEING

.....Appellant

Through: Sh. Shrawan Chopra and Sh. Vibhav Mithal,
Advocates.

Versus

ARBITRATOR NIXI AND ANR.

.....Respondents

Through: Sh. Sushant Singh and Sh. Jitender Vashisht,
Advocates.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT

HON'BLE MS. JUSTICE DEEPA SHARMA

MR. JUSTICE S. RAVINDRA BHAT

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1. The correctness of the judgment of the learned Single Judge in OMP 132/2007 and OMP 928/2011 has been questioned in this appeal, under Section 37 of the Arbitration and Conciliation Act ("the Act"). An award concerning a dispute regarding the domain name 'internet.in' was published dated 05.07.2006 by the learned sole Arbitrator (Respondent No.1 in OMP 132/2007). He was appointed by the National Internet Exchange of India ('NIXI').

2. The expression "internet" owes its origin to the research network called 'Advanced Research Project Agency Network' (ARPANET)

established by the United States Department of Defense in the 1970s. That program was meant to link with other Government network. IP is defined by the Shorter Oxford English Dictionary, (5th Ed., p. 405) as *"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."* Internet is now a ubiquitous term. 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 websites. They ordinarily are concerned with the organization or entity whose website is accessed and can, therefore, be easily recalled. The domain name nic.in specifies it to be that of the National Informatics Centre of the Government of India. A domain name can be divided into levels. Thus, the domain name <http://indiancourts.nic.in/>, has in the first level, i.e. "indiancourts" which refers to the entity which owns the website, the second level is 'nic' which refers to the entity that 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 a country code Top-Level Domain ('ccTLD') as contrasted with a generic Top-Level Domain ('gTLD') like '.com' or '.org'. 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 have acquired significance.

3. Disputes arise over registration of domain names using trade marks that are known and which are in use and may be registered in different jurisdictions. This is because of the system of assigning domain names on a first-come-first-served basis. Not un-often, this policy lends to abuse because those with no connection to established trade marks, or trade dresses, brands, or even prominent individuals, secure registrations. Resultantly, the registrant's website manages to secure internet traffic, as opposed to the customer or internet user whose endeavor is to access the website or domain name of the genuine dealer or retailer, who happens to be the trade mark proprietor of the goods or services. This appropriation through prior registration is referred to as cyber squatting. Such evils resulted in the formation of the Uniform Domain Names Dispute Resolution Policy ('UDRP') due to the joint efforts of the World Intellectual Property Organization ('WIPO') and the Internet Corporation for Assigned Names and Numbers ('ICANN'). The latter is a non-profit organization managing the DNS. The UDRP which was adopted on 24.10.1999, provides for a domain names dispute resolution mechanism before Administrative Panels of the WIPO Arbitration and Mediation Center.

4. Domain names are registered worldwide, on geographical basis. Registration is on 'first- come-first served' basis. NIXI, an Indian company registered on 28.06.2005, framed and adopted the INDRP as well as INDRP Rules of Procedure. NIXI issued the "Sunrise Policy" enabling Indian registered trade mark proprietors wishing to protect their marks to apply for

.IN domain names before the general public could. The *rationale* for this Policy was to accord preference to Indian citizens and companies over foreign entities. Indian trade mark proprietors' applications were to be submitted to the Registry through an accredited Registrar and applications were to be accepted from 01.01.2005 to 21.01.2005. To be 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 ASCII 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."

5. In the present case, Purohit applied under the Trade Marks Act,1999 ("the Act") on 17.03.2003 for registration of the trade mark 'internet' in

respect of *'Tobacco, raw or manufactured, smokers articles, matches included in Class 34'*. The trade mark certificate was issued on 13.07.2005 which, in terms of [Section 23](#) (1) of the Trade Marks Act, nevertheless related to the date of the making of the application, i.e., 17.03.2003. Purohit, therefore, holds trade mark rights over 'internet' under Class 34 from 17.03.2003. He did not avail of the benefits of the Sunrise policy and secured domain name registration using its trade mark. Koenig, a U.S.A resident, had the domain name 'internet.in' registered with the .IN Registry on 16.02.2005. On 31.01.2006, Purohit filed a complaint with the .IN Registry seeking the cancellation of the registration of the domain name 'internet.in' in favour of Koenig. Purohit urged that he had been using the trade mark 'internet' for over three years. The domain name 'internet.in' was confusingly similar to his trade mark. The Petitioner had- he alleged, 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 Purohit or to another organization for a profit. Purohit alleged 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.

6. The petitioner, responding to the notice argued that Purohit was under a burden since he 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 that it had acquired a secondary meaning. He argued that Purohit had not adduced a single document of usage of the said trade mark, the quantum and amount of sales under the trade mark, the nature and extent of advertising,

consumer surveys and media recognition. The Petitioner intended to "*legitimately use the domain name as the identifier for internet related goods and services on website.*" The INDRP did not mandate the Petitioner to conduct a trade mark search in all classes before registering a domain name. The petitioner argued that Purohit also did not disclose evidence to show that he (the Petitioner) knew of Purohit's rights in the mark 'internet' or ought to have known it. It was submitted that Purohit had not registered any domain names containing the word 'internet' in the popular gTLDs e.g., .com,.net, .org etc. as to lead to any inference or assumption, that the Petitioner could have any indication of his rights in the domain name 'internet.in' The petitioner relied on a copy of Who is results of the relevant domain names, to show that the domain names like internet.biz, internet.net etc. were all registered by different entities. The petitioner also denied that he had 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', had not been on sale on its trading platform was relied on with the reply. The Petitioner claimed to have developed over the years, businesses like fax.de and toner.com for legitimate purposes and was, therefore, a legitimate and *bona fide* trading entity. The Petitioner registered the domain name 'internet.in' in good faith to create a website 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."

7. The Petitioner also urged the plea of 'reverse domain name hijacking' by Purohit; he alleged that the complaint was a blatant attempt to claim

exclusive right in the domain name 'internet.in'. The complaint was filed with the sole aim to harass the Petitioner and usurp rights beyond the registration of Purohit. It was stated that Purohit was free to register a domain name like internettobacco.in, which related to its alleged activities. There was no proof by the complainant disclosing the Petitioner's registration of the domain name 'internet.in' was in fact in bad faith or that he wished to sell the domain name to Purohit or to someone or some other organization. The petitioner in turn pointed out that Purohit too had filed other INDRP proceedings, which show that he sought to monopolize generic words such as business, web, jobs, hotels, and so on, without any material showing his own use of such words or marks. These were evidence of his bad faith. The petitioner, therefore, claimed that (i) the domain name should not be transferred to Purohit (ii) finding of reverse domain name hijacking should be made and (iii) costs be imposed on Purohit for blatant abuse.

8. The Arbitrator, in the Award dated 05.07.2006, held that:

- (a) The domain name 'internet.in' of the Petitioner herein was identical and confusingly similar to Purohit's trade mark. It was held that nevertheless, Purohit did not establish that he had a trade mark over a generic word;
- (b) The Petitioner had no right or legitimate interest in the domain name;
- (c) The Petitioner registered the domain name 'internet.in' in bad faith. He had registered the domain name for the purpose of selling, transferring or renting 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) Purohit was also not entitled to transfer of the domain name in his name as he had also not established his bona fide rights in the trade mark; and
- (f) The Petitioner could not, in the circumstances, allege reverse domain name hijacking by Purohit.
- (g) The domain name 'internet.in' was to be confiscated by the .IN Registry and kept with it.

Findings of the learned Single Judge in the impugned order

9. Beginning by delineating the scope of his jurisdiction, under Section 34 of the Act, the learned Single Judge went on to analyze the relevant provisions of INDRP, i.e., Para 4. He then compared it with the provisions of UDRP. He noticed the differences in the following terms:

"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.

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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."

The impugned order then held that the arbitrator's finding that the domain name 'internet.in' and the trade mark 'internet' were identical was sound. It was held that the petitioner's 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 fact that the goods for which Purohit held registration were different from internet related services which the Petitioner proposed to offer using the domain name, according to the impugned order *"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 learned Single Judge differed from the conclusions of the arbitrator in regard to one issue, viz that Purohit did not establish that he had legitimate interest over the term 'internet'. In concluding as he did, the

learned Single Judge held that the arbitrator found that the word was generic and, therefore, incapable of trade mark rights. Here, the Single Judge reasoned that since Purohit held a valid registration over the said word mark, which had not been challenged by the petitioner, the former's legitimate rights over the mark stood established. The impugned judgment relies upon Sections 28 and 31 of the Act for this purpose.

Contentions of the parties

10. It is urged by Koenig - the appellant/petitioner, and argued by his counsel, Mr. Praveen Anand, that the Learned Single Judge failed to appreciate that the INDRP itself states that it is modeled in the line of the UDRP and to carve such a distinction between INDRP and UDRP as done in the impugned judgment is contrary to the intention and purpose of the INDRP. By removing the distinction between the standard disputes relating to the infringement of trade marks and domain name disputes by holding that all the three prongs in the requirements stated in paragraph 4(i) to paragraph 4(iii) of the policy of the INDRP need not be proved by the Complainant.

11. Mr. Anand argues that the findings of the Learned Single Judge are erroneous as any registered proprietor of a trade mark can claim rights in the corresponding domain name irrespective of the business or the *bona fide* offering of goods and services by the Registrant of the said domain name by showing a mere trade mark registration etc. Counsel argues that if the findings of the learned Single Judge are not reversed they will be contrary to public policy. It is argued that the observations in the impugned judgment

that '...For the purpose of Paragraph 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" is contrary to public policy as the mere registration in one out of 42 prevailing classes for trade marks will *ipso facto* entitle a trade mark owner from preventing others from using the trade mark in its generic sense on the "internet". The finding that the registration of Purohit's mark in some class amounted to his automatically establishing a trade mark right is facially erroneous; counsel emphasizes that in the cyber-world, the registration of a word or mark in some country *per se* cannot confer a monopoly to the proprietor of such mark, because regardless of its common usage, such proprietor would claim a monopoly and prevent use by others. Had Purohit shown internet usage in respect of his mark, by offering goods or services in relation to it, there could have been legitimacy in his claim. However, the arbitrator's determination was patently erroneous in law and the Single Judge in not interfering with it, fell into error.

12. Mr. Sushant Singh, learned counsel for Purohit argued that neither the award nor the impugned order disclose any error which require interference. Underlining that unless the award shows a patent error of law in that a statutory provision is overlooked or completely misinterpreted or is contrary to express terms of the contract, interference under Section 34 is unwarranted, counsel argued that given the fact that Purohit is registered proprietor of the trade mark in India, the conclusions in the award are legal and justified. It was submitted that mere variation between the INDRP and UNDRP provisions did not render the award untenable or patently erroneous.

Analysis and Conclusions

13. Para 4 of the INDRP corresponds to Para 4 (a) of the UDRP. Para 4 of the INDRP reads as follows:

"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."

14. The appellant's theme song, so to say, is that the three elements are to be cumulatively established by every applicant seeking to cancel registration of another as that is a condition for operation of the provision in terms of the URDP. Purohit, on the other hand, emphasizes that the controlling expression "*the complainant must prove that each of these three elements are present.*" is absent from the INDRP. Consequently, as long as one or some elements are established, the registrant's domain name is liable to be cancelled. This Court finds the appellant's submission that the URDP conditions are to be read into the INDP provisions, unpersuasive. INDRP is what applies; it is not in dispute that its provisions were to be considered by the arbitrator in the present case. URDP is not like an umbrella legislation or a constitutional instrument, to which INDRP is subordinated in a hierarchy of norms. Both do not have the force of law. Instead, since INDRP is the mechanism for enforcement of norms governing NIXI, they constitute the norms applicable. The absence of any insistence of fulfillment of all conditions cumulatively does not lead to the reading into of such conditions from the URDP; there is nothing in the text of INDRP to support this; nor is there any other compulsion to do so.

15. The second serious submission made was that registration of a trade mark does not *per se* indicate a legitimate interest on the part of Purohit; the absence of any condition to carry out a trade mark registration search could

not, according to the appellant, have prejudiced him. The registration of a trade mark is dependent upon fulfillment of statutory conditions, and subject to the mark not falling within any disqualifying conditions or being debarred from use. Trade mark registration in India is also on the basis of its use, or proposal of the applicant to use it, subject to conditions. Therefore, the appellant's contention that registration does not confer *per se* legitimate interest is unacceptable. In fact, use of a mark which bears such close resemblance to a registered mark as to amount to "deceptive similarity" results in a presumption of infringement (of the mark) by virtue of Section 29 (3) of the Trade Marks Act, 1999. Therefore, in this context, the learned Single Judge's use of *Satyam Infoway v Siffynet Solutions (P) Ltd.* (2004) 6 SCC 145 in the present case, was apt; trade mark law in India would apply for domain name use, wherever issues of confusion or similarity arise between web based services or use of domain names.

16. This Court notices that the arbitrator and the learned Single Judge both concurrently found that Purohit had discharged the initial onus placed on him to show that the appellant had no legitimate interest in the domain name and further he failed to prove the existence of any of the ingredients of Para 7 (viz., the appellant'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.*" These findings are entirely fact based and cannot be reviewed in appeal under Section 37.

17. The last aspect of the inquiry undertaken by the arbitrator- and gone into by the learned Single Judge is the question of bad faith of the appellant. The impugned order records that there was bad faith in the registrations of the appellant, in the following terms:

“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.”

There is no ground made out for interference with the above findings.

18. This Court notes that the INDRP mechanism of dispute resolution through arbitration would fall within the description of an arbitration agreement under Section 7 of the Arbitration and Conciliation Act, 1996. Therefore, awards made under the INDRP framework are to be tested in the light of the law applicable for Section 34, which means that the courts have narrow and circumscribed powers to interfere with arbitral tribunal's determinations: if only the findings are based on patent legal errors, or contrary to terms of contract, or are so unreasonable that no reasonable man could have reached the conclusions that an arbitrator did, would interference be called for. The appellant has not been able to establish any of these elements. The award was, therefore, not liable to interference; the learned Single Judge said as much. We concur with his opinion. The appeal, therefore, fails and is dismissed without any order as to costs.

S. RAVINDRA BHAT
(JUDGE)

DEEPA SHARMA
(JUDGE)

NOVEMBER 02, 2015