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Conflicting Issues between Domain Names and Trade Mark: An Analysis

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Abstract:-

The conflict between domain and trademarks names is a topic of rigorous discussion all over the world. The system of domain name is governed by the Internet Corporation for Assigned Names and Numbers (ICANN). It is a nonprofit organization that coordinates the Internet's global domain name system. The Internet Assigned Numbers Authority (IANA) is a department of ICANN responsible for managing the DNS Root and the numbering system for IP addresses. And The system of the trademarks is administered by a public authority on a territorial basis which gives rise to rights on the part of the trademark holder that may be exercised within the pertinent territory. The prospect of such conflicts arises from the lack of connection between the system for registering trademarks, on the one hand, and the system for registering domain names, on the other hand. A number of reasons are responsible for these conflicts.

In this piece of research we tried to find out these reason with an analytical view. This analysis is helpful to understand the problem and also leads to the probable solutions of the issue.

Keywords:

Domain Name, Issues, Procedure, Registration, Trademark.



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Introduction

The process of development in all the fields has been adopted throughout the world and in this series the concepts of globalization, privatization and liberalization various issues came into existence. An approach in a systematical way has developed for the protection of rights through a number of instruments. The effect of this kind of development has been seen in the field of internet also. The idea of liberalization of rules within the domain name registration system is one which is rather appealing to many countries. However, it is also one which is to be considered with caution as less restrictive rules may result in an increase in domain name dispute.

Domain names were initially created as technical tools that enable us to find a website more easily without having to memorize internet protocol (IP) addresses. IP addresses consist of numbers that are presented in dotted decimals and divided into binary number such as 123.150.75.101. These strings of numbers direct the computer to a particular website. This method is not very user friendly for the end user as it is usually difficult to remember such long strings of numbers there for the domain names were created since it is easier for people to remember a website address computer 'read' the domain name by 'translation' these name back to IP address before they can locate the information the user requested.

Today domain name are also commercial vehicles for business. Companies either advertise their goods on their websites or actually conduct online business on it.¹ Hence the domain names are important as they both serve as an identity and convenient address for the company and ensure that the customers are able to find the company's website easily. For example if an Australian wishes to buy a Dell computer online and transact with the Dell Australia, he would surf to www.dell.com.au. This is the example in the use of a domain name address is of paramount importance to the company's business because for online e-commerce to run smoothly, the customers must be able to find the company easily on internet. Furthermore, domain name have a bigger role to play as they may also be registered as trademarks as well being useful for branded purpose.² Thus, these additional functions in domain name registered rules and they type of domain name registration system that is adopted. It has been started that

¹ Ng, Jenny. *The Domain Name Registration System- Liberalization, Consumer Protection and Growth*. New York, Routledge Taylor & Francis Group, 2013.

² Ibid.



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'vanity' names or 'fantasy' names which are useful for branding purpose are more easily registered in the less restrictive registration systems

Web definition of Trademark

A trademark is a recognizable sign, design or expression which identifies products or services of a particular source from those of others. The trademark owner can be an individual, business organization, or any legal entity.³

The conflict between domain and trademarks names is a topic of rigorous discussion throughout the world. In this 'adolescence age' of internet where e-commerce is so popular, the owners would like their domain names to be distinctive and possess all other characteristics as that of their trademark, which encourages them to use their trademarks as domain names. Introduce the trademarks, domain names and the reasons that have led to the conflicts between the both. A trademark distinguishes the goods and services of one origin from the others. The domain name is an address of the computer provide by the ICANN which identify the web address for the site. But in modern scenario every person used to the computer. Every person now sale and purchase the thing through the computer so that the conflict between the domain name and trademarks are arises. Domain name policies worldwide vary considerably between, and sometimes even within, countries. As a consequence, end users⁴ are inconvenienced by contradictory domain name policies, diminishing the predictability of an entity's domain name, and thus decreasing usability for end users.

The trademarks cannot be similar and bases on the land law. The governing authorities are the states and deals with the law of land can be registered in many countries simultaneously. It protects the trade owner's trade and business well as the goodwill which is attached to his business. To understand

³Available at http://en.wikipedia.org/wiki/Trade_marka.org/wiki/Trade_mark (May 7, 2014).

⁴An end user is a person who uses a product. The term is based in the fields of economics and commerce. A product may be purchased by several intermediaries, who are not users, between the manufacturer and the end user, or be directly purchased by the end user as a consumer. For example the end user of a pharmaceutical product is the patient who takes it, rather than distributors, pharmacists and physicians who may purchase it in their behalf; or the user can buy the product at a drugstore. An end user of a computer system or software is someone who uses it.



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the conflicting issues of the registration procedure there is need to understand the procedure in a systematic way and the following heads are about the same process.

Domain Name and registration procedure

The domain name system provides a means of mapping human-readable domain names to computer-readable IP addresses. A top-level domain (TLD) is the last part of an internet domain name (for example .com, .net, .org, .biz, .au, .uk, .aero, .travel, .info, .nz, etc.). There are 270 top-level domain names directly under the domain name system root level.⁵ Top-level domains are categorized further as either country code top-level domain or generic top-level domains of which there are sponsored top-level domains and unsponsored top-level domains.⁶

It is a unique alphanumeric designation (for example auda.org.au, microsoft.com, triplej.net.au, denic.de, nominet.org.uk, etc) that facilitates reference to the sets of numbers which actually locate a particular computer on the Internet.⁷

A domain name is a unique alphanumeric designation that facilitates reference to the sets of numbers which actually locate a particular computer on the Internet. The registration of domain names is usually administered by domain name registrars who sell their services to the public.

Domain names are a fundamental part of the Internet's user interface. Improving the usability of the Internet depends upon effective domain name policy. This study is intended to contribute to improvement in Internet usability for the end users of domain names. Benefits of more usable domain names include: higher sales, higher customer satisfaction, higher productivity, and reduced support costs.

Domain name policies worldwide vary considerably between, and sometimes even within, countries. As a consequence, end users are inconvenienced by contradictory domain name policies, diminishing the predictability of an entity's domain name, and thus decreasing usability for end users.

⁵ IANA, 2008.

⁶ Joshua Rowe. *Improving Internet Usability –A Framework for Domain Name Policy Evaluation*.s. DomainUsability.com(October 2008.)

⁷ Ibid.

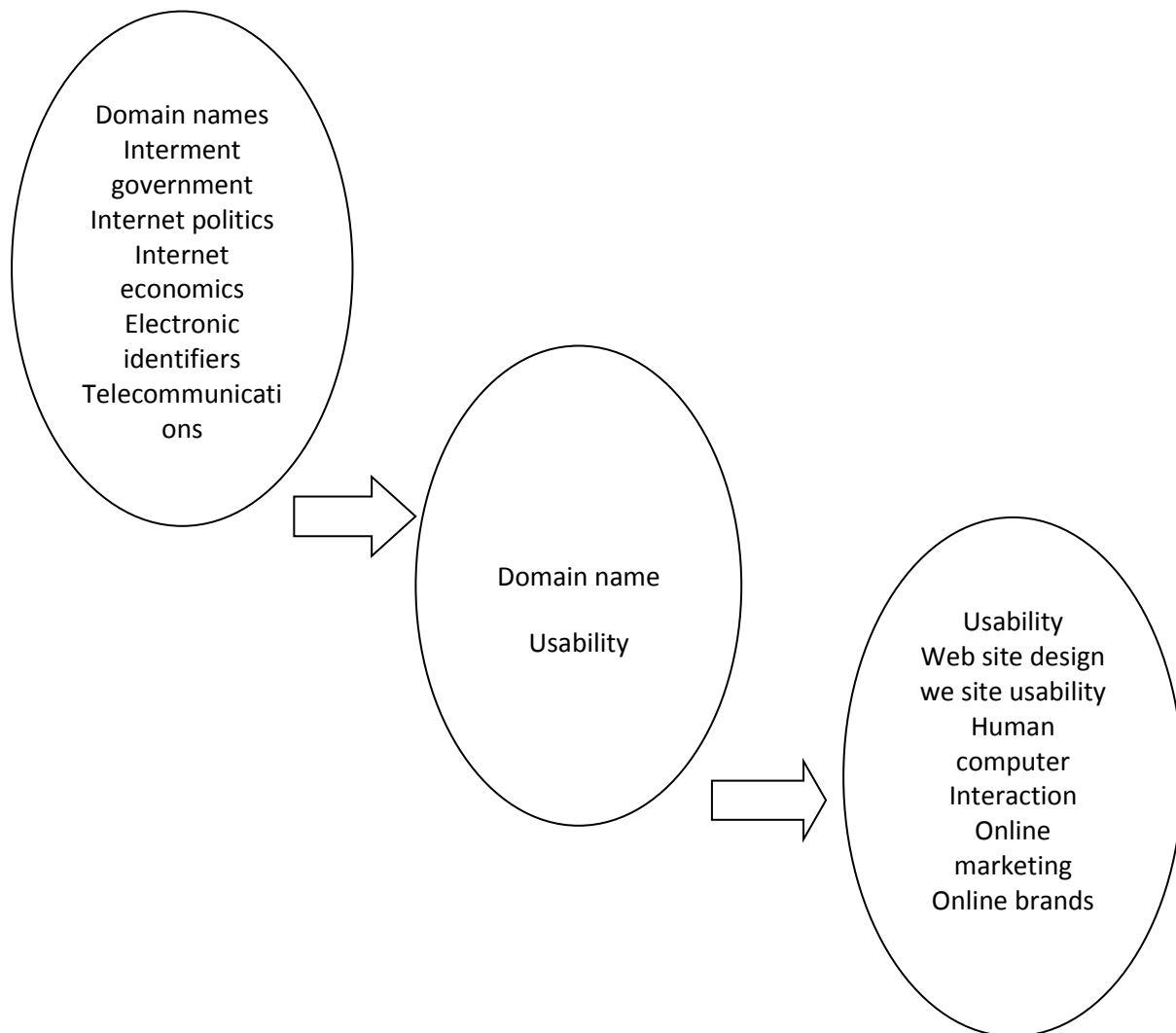


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Structure of the Domain Name System



To understand the domain name it is necessary to understand the internet. The Internet can be defined as a vast global network that links millions of computers for the purpose of communication and sharing information⁸. A huge number of websites and web pages can be accessed via Internet.⁹ The websites

⁸Zohar Efroni. *Names as Domains, Names as Marks: Issues Concerning the Interface between Internet Domain Names and Trademark Rights*. Stanford, Stanford's Center for Internet and Society, 2007.http://papers.ssrn.com/sol3/papers.cfm?abstract_id=957750 (5 September, 2011) and Simon Halberstam, *Domain Names: A Practical Guide* (Tolley 2002).



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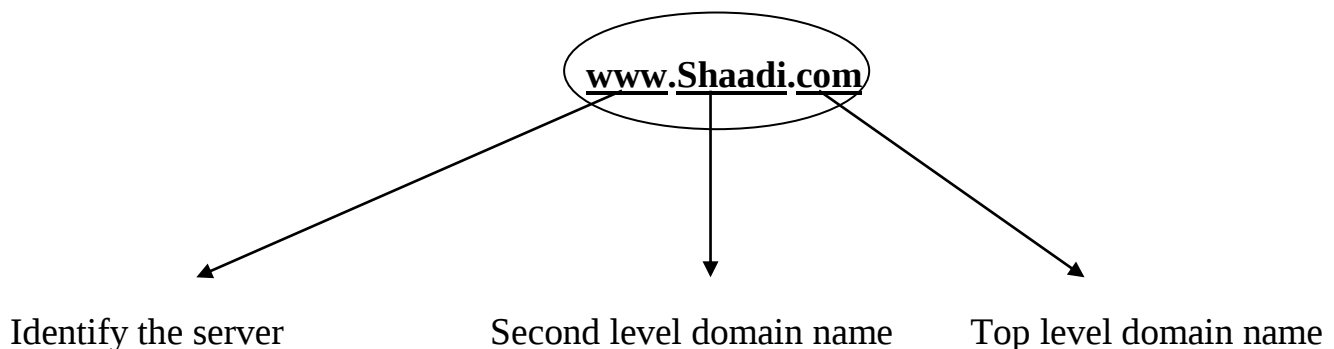
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are identified by their Internet Protocol (IP) addresses which are in the form of four octets (numbers) separated by full stops.¹⁰ For example, 192.168.1.1 is the default IP address of Linksys Broadband Routers. Since these numbers are extremely difficult to memorize and are not associated with the name of the brand or the website, a corresponding and user-friendly alphanumeric address called ‘domain names’ is preferred.¹¹ A domain name identifies a website by using a unique name, which is usually the brand’s name or the trademark.¹² For example, www.shaddi.com.com is the website for men’s and women’s regarding the matrimonial person can go there and choose their partner its IP address is 162.209.65.114. So when the user types a domain name, the computer locates the site with the help of the IP address and thus provides access to the information. For example, when a user enters < 162.209.65.114 > in the search field, he will be directed to the homepage of the website of Shaddi.com.

“A domain name is a unique identifier for a location on the internet.”

Figure 1



A Domain name is compiled of three parts (Figure 1)¹³. Each of these parts is separated by a dot “.” The first part fulfils the purpose of identifying the server. In the above example, “www” identifies

⁹Dara B Gilwit. ‘The Latest Cybersquatting Trend:Typosquatters, Their Changing Tactics, and How to Prevent Public Deception and trademark Infringement’ (2003) 11 Wash UJL 267.

¹⁰ Paul Todd. *E-Commerce Law*. London, Cavendish, 2005.

¹¹ Simon Halberstam. *Domain Names: A Practical Guide*, London, Tolley, 2002.

¹² Dara B Gilwit. ‘The Latest Cybersquatting Trend:Typosquatters, Their Changing Tactics, and How to Prevent Public Deception and trademark Infringement’, (2003) 11 Wash UJL 267.

¹³ Jennifer Golinveau. ‘What’s in a Domain Name: Is “Cybersquatting” Trademark Dilution’, (1998-1999) 33 USFLRev 641.



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the World Wide Web Server. The second part is a very important part and is called Second Level Domains (SLDs). It is the most important part because it identifies the user/company. In the example above, it is easy to guess that the website belongs to the Debenhams stores. The exclusivity of the SLDs is the sole criteria of registering a domain name.

Domain names are registered on a first-come, first-served basis and offer a unique, global presence on the Internet.¹⁴ One of the important issues that have been considered in the course of these discussions is the interface between domain names and trademarks. While domain names were originally intended to perform only the technical function of facilitating connectivity between computers through the Internet, domain names have, because of their easy-to-remember and human friendly form, come to constitute business identifiers. They are used routinely in advertising as a means of indicating the presence of an enterprise or business on the Internet. Businesses have come to realize the significant potential of an Internet web site as a means for providing information and offering goods or services directly to the consumer public.¹⁵

The registration of domain names is based on the principle of “First-Come-First-Served”. The Domain Name System (DNS) is managed by *Internet Corporation for Assigned Names and Numbers* (ICANN). The gTLD must be registered with an ICANN Accredited Registrar.¹⁶ (The list of all the registrars with an authority to register a gTLD under ICANN is available on the website of ICANN)¹⁷ The ccTLD are registered by the country code administrator of each country.¹⁸ These administrators get their authority of registration by Internet Assigned Numbers Authority (IANA), which is operated by ICANN.¹⁹

Functions of Domain name normally as follow:-

- To provides an address to the computer.

¹⁴Ibid.

¹⁵Ibid.

¹⁶Dara B Gilwit, 'The Latest Cybersquatting Trend:Typosquatters, Their Changing Tactics, and How to Prevent Public Deception and trademark Infringement' (2003) 11 Wash UJL 267.

¹⁷Available at <<http://www.icann.org/en/registrars/accredited-list.html>>(6 September 2011).

¹⁸Ian Tolett, 'Domain names and dispute resolution' (2009) 23 World Patent Information 169.

¹⁹Ibid.



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- The Internet can be defined as a vast global network that links millions of computers for the purpose of communication and sharing information
- Domain names were originally intended to perform only the technical function of facilitating connectivity between computers through the Internet
- Domain name, however, is based on a real name and that name is unique to only one person who is allowed to register it in cyberspace.

Trademark and its registration procedure

The concept of trade mark comes from the industrialization revolution which enabled large scale production and destruction of goods. With the emergence of competitive market economy, manufactures began to identity their products by certain symbols, marks or devices so as to distinguish their goods from similar goods manufactured and marketed by others. Which country which adopts trade mark law it is necessity for protecting the goodwill and reputation.

A trade mark include any device, brand, heading, label, ticket, name signature, word, letter, numeral shape of goods, packaging or combination of colors or any combination thereof. According to S. 2(1) (zb) of the trade mark Act 1999, a trade mark should be capable of being represented graphically, and should also be capable of distinguishing the good or services of one person from those of others.

TRADE MARK law serves two important purposes:-

- (i) It protects the public from confusion and deception by identifying the source or origin of the particular products as distinguished from other similar products.
- (ii) It protects the trade owner's trade and business well as the goodwill which is attached to his business.

The main functions of trade mark are identification of goods, identification of source, indication about quality of goods and advertisement.



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Certification TRADE MARK

Certification means a mark capable of distinguished the good or service in connection which is used in course for the trade which are certified by the proprietor of the mark in respect of origin, material, mode of manufacture of goods or performance of service, quality, accuracy.

The service also include TRADE MARK Act 1999, S. 2 (1) (e)

Collective mark-

TRADE MARK for good and service

A trade mark may be registered for goods and service. 'Goods' means anything which is subject of the trade or manufacturer.²⁰

'Service' means service of any description which is made available to potential users, includes the provision of service in connection with business industrial or commercial matters such banking, communication, education, financing, chit funds, real estate, transports, storage, material Trade market, processing, supply of electrical or other energy boarding, loading, entertainment, amusement, construction, repair, conveying of news or information and advertisement.²¹

TRADE MARK distinguished from Patent Design and copyrights:-all are IP

Patent give monopoly right to make and sell or use the patented product or process for an invention for a limited period of time. The owner of the registered design similarly gets a monopoly right to apply the design. In copy right the author of a work of art, or any other work in which copy right subsists, is granting the exclusive right to make copies or reproduction of the subject- matter for a certain period, the duration of time is limited. On the other hand it is not necessary that the trade mark chosen by the trader should be the result of invention skill or intellectually labour.

²⁰ Trade Mark Act, 1999 S. 2(1) (j)

²¹ Ibid, S. 2(1) (z).



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Function of TRADE MARK:-

Trade mark normally functions as follow:-

- It defines the goods of one trader and distinguishes them from goods sold by others.
- It signifies that all goods bearing a particular trade mark come from single source.
- It signifies that all goods bearing a particular trade mark are of an equal level of quality.
- it acts as a prime instrument in advertising and selling the goods.

The main functions of trade mark is, therefore, identification, source quality and advertising

Historical background of TRADE MARK:-

In India first legislation in respect was the Indian Merchandise Mark Act, 1889. This Act followed by the Trade Mark Act, 1940. Prior to the enactment of the Trade Mark Act, 1940, the disputes or problems, especially those related to the infringement of trade mark or passing off were decided in the limit of S. 54 of the *Special Relief Act*, 1877. Registration and ownership of a trade mark was tackled under Registration Act 1908. The trade mark Act 1940 introduced the system of registration of trade mark and provided statutory protection to registered trade mark. In 1958 the trade and merchandise Mark Act was adopted which repealed the Indian Merchandise Act 1889 and Trade Mark Act, 1940,

Trade mark- Section 1(1) of The Trade mark Act, 1994 defines a trade mark in the following words: *“Any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings”*²²

A trade mark may be any sign that is distinctive. The distinctiveness of this mark is important as the main purpose of a trade mark is to help the consumers in identifying the unique source of the product or services. In other words, a trade mark portrays the authenticity of a business.²³ “A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”²⁴ A trade mark could be any kind of unique representation as long as it is capable of being distinctive. It may be a letter or combination of letters, a logo, a picture or a slogan, a sound or a shape. Examples of some well known trade marks are given below:

²² Section 1 (1) of Trade Marks Act 1994.

²³ Available at http://www.smallbusinessbible.org/printables/purpose_trademarklogo.html (1 September 2011).

²⁴ Section 1(1) of the Trade Marks Act 1994.



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Figure 2



Figure 3



Figure 4



Figures 5

Figures 2, 3, 4 and 5 represent the trademarks of the famous brands. Domino's Pizza restaurants, Nokia connecting people band Phone Company, Coca Cola soft drink and (Hindustan) Unilever Group respectively.

A trade mark distinguishes the goods and services of one origin from the others. In this 'youth age' of internet where e-commerce is so popular, people use the internet at every step and every movement. The owners would like their domain names to be distinctive and possess all other characteristics as that of their trade mark, which encourages them to use their trademarks as domain names. This article is an effort to point out the conflict between trademarks, domain names and the reasons that have led to the conflicts among them. In June, 1998, the World Intellectual Property Organization (WIPO) undertook an international process to develop recommendations concerning the intellectual property issues associated with Internet domain names, including domain name dispute resolution. The WIPO Internet Domain Name Process was finalized on April 30, 1999 with the publication of the Final Report. the Internet Corporation for Assigned Names and Numbers (ICANN), that has been formed to manage the policy and technical aspects of the Internet Domain Name System. They have also been made available to the Member States of WIPO for their consideration at the September general assembly's of the WIPO Member States.

The rules for understanding whether a legal conflict exists comes from trade mark law. Here are the basics you need to understand:

- Names that identify products or services in the marketplace are trademarks.
- Distinctive (clever, memorable) trademarks are protected under federal and state law.
- Distinctive business and domain names usually qualify as trademarks.



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- The first commercial user of a trade mark owns it in case of a legal conflict with a later user.
- One trade mark legally conflicts with another when the use of both is likely to confuse customers about the products or services, or their origin.
- If a legal conflict-called an infringement-is found to exist, the later user will have to stop using the mark and may even be held liable to the trade mark owner for damages.

Conflicting issues

“The system of domain names is one of the more important ways in which the internet is humanized and made comprehensible to non specialists.”²⁵ In the article Domain Name and Dispute Resolution²⁶, Ian Tollett lays down three major differences in the registration of domain names and trademarks. Firstly, unlike trademarks, the concept of “confusingly similar” does not exist in the domain names.²⁷ It is absolutely possible for two domain names to be extremely closely similar. Say there is a possibility of existence of www.abcd.com and www.ab-cd.com. In case of trademarks, even a little similarity may result in the refusal to register the mark. For instance, a beverage manufacturing company could not register the trade mark “Koka Kola” as it resembles the well known trade mark “Coca Cola”.²⁸ Secondly, unlike domain names, the registration of trademarks is subjected to the classification system meaning identical trademarks that are used to identify different products and services can exist.²⁹ A domain name can be owned by one person only irrespective of the goods and services offered by the owner of the domain name. And thirdly, national boundaries are not recognized by the domain name system.³⁰ The (*Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System*) gTLD could be registered and accessed from any region. The (*country code top-level domain*) ccTLD are registered in the country where the company operates but can be accessed from any country. It is argued that the main reason for the disputes between

²⁵ Steve Hedley. *The Law of Electronic Commerce in the UK and Ireland*. London, Cavendish, 2005.

²⁶ Ian Tolett, ‘Domain names and dispute resolution’ (2009) 23 World Patent Information 169.

²⁷ Ibid.

²⁸ David V Radack. ‘Likelihood of Confusion-The Basis for Trademark Infringement’ available at <<http://www.tms.org/pubs/journals/jom/matters/matters-0212.html>>(4 September 2011).

²⁹ Ian Tolett, ‘Domain names and dispute resolution’ (2009) 23 World Patent Information 169.

³⁰ Ibid.



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trademarks and domain names is that the trade mark law is territorial, whereas the internet law is global.³¹

Conclusion

In conclusion it can be said that both domain name and trademarks are different. Their registration authority is also different. Domain name is subject of international level and trade mark is subject of Country. The registration of trade mark doesn't base on the principle of "First-Come-First-Served". The trademarks are deal with the law of land. A trade mark can be resisted in many countries. Registration authorities are different and according to the conditions of the countries. The potential for conflicts inherent in the two different systems of registration has been exploited by persons who have made it a practice to register, as domain names for themselves, the trademarks of other persons or enterprises ("cybersquatting").

Again the conflicts between trademarks and domain names, their causes, kinds and the attempts made to resolve the conflicts. The registration process of domain names started with the 'first-come-first-served' principle, which is still followed and can be considered as the root cause of the conflicts. There is no specific law dealing with the domain name. All that is required is exclusivity of SLDs. All these factors give rise to cybersquatting, typo squatting and reverse domain name hijacking. UDRP was formed to handle to disputes, but was criticized on various grounds. This has left the problem unanswered. If the present scenario is considered, neither the trademark law nor the ICANN is capable of protecting the domain names. Another drawback to the scenario is the fact that internet is accessed worldwide and any domain name would resemble some trademark used in some corner of the world, and therefore is capable of being challenged. The lack of stringent laws always makes the situation worst. The grounds mentioned by the UDRP to initiate a claim are so ambiguous that it would be difficult for the claim to sustain. Even if the claim sustains, the further criticisms laid down by critics (mentioned in chapter 6) do not guarantee justice. Considering this scenario, it is hard to the present laws, the situation seems impossible to deal with and the world is yet to see a stronger, effective and non-biased law with enough protection towards the trademark owners and domain name holders.

³¹ Lilian Edwards and Charlotte Waelde (eds). *Law and the Internet: A Framework for Electronic Commerce*. Oxford, Hart Publishing, 2000.

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Clearly, the present laws are incapable of dealing with the issues of trademarks and domain names. The very basic principle of 'first-come-first-served' needs reform and new laws need to be framed at domestic level with the consultation of International agencies. Some new authorities need to be established with the help of legal institutions. And furthermore there is a need to build the capacity of the personnel's involved in the field of the protections of these types of issues.