

A Case Comment on Yahoo! INC v. Akash Arora: A Milestone in Extending Trademark Law Protection to the Domain Names in India

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Abstract

In today's modern commercial world, a trademark functions as an identifier of products to make an assurance about a product's level of quality and also to ensure the promotion of such product. Rights pertaining to the trademark incentivize the competition and safeguard the quality of products. Same provide the consumers with a right to choose either of two or more competing products and services available in market by multiple businesses. In this Defendant Akash Arora used Domain Name "yahooindia.com" which was identical to the plaintiff's "yahoo.com" for the purpose of offering the services similar to that of plaintiff. This case was the first case of "**Cybersquatting**" in India, which refers to "When a person other than the owner of a well-known trademark registers that trademark as an internet domain name and then attempts to profit from it".

Keywords: Trademark, Cybersquatting, Domain Name and Rights.

Introduction

In this paper of case comment, where we have discussed a landmark ruling of Hon'ble High Court of Delhi in Yahoo! INC v. Akash Arora (1999) and this judgment has been proved to be a milestone in ensuring the same level of protection to domain names as to the trademarks in India.

Yahoo! INC v. Akash Arora,¹ (1999) IIAD Del. 229, 78 (1999) DLT 285.

Background of Case: In this case *Yahoo! INC* was the plaintiff and Akash Arora was the defendant. Yahoo! INC was registered owner of tradename "**Yahoo**" and Domain Name "**yahoo.com**" and both of these marks of plaintiff earned an immense reputation, fame and goodwill in the global eyes. Apart from all these achievements, since 1995 Yahoo! was a registered company and also acquired the domain names in 69 countries but except for India. On the other hand, defendant Akash Arora incorporated a company with using a trademark "**Yahoo India**" and domain name "**yahooindia.com**" to offer the same service of internet as that of plaintiff. Plaintiff noticed all these unethical practices by defendant, thereafter plaintiff sued defendant and sought a decree of interim injunction against such an illegal act of defendant to restrain him from doing so or from anything resembling with this. In this case Plaintiff Yahoo! INC sued Akash Arora for two things firstly, for using a mark identical or deceptively similar to that of plaintiff and

¹ (1999) IIAD Del. 229, 78 (1999) DLT 285.

secondly, for passing off the services, those were under the plaintiff. It means there was a situation of deception among the consumers about the original source of services offered.

Issues: The major issue of this landmark verdict was that are the domain names protected under the rights relating to the intellectual property? Does the utilization of trademark “**Yahoo India**” and domain name “**yahooindia.com**” lead to the act of passing off of services belong to the plaintiff? Do these activities of defendant attract the essentials of trademark infringement under the Trademarks Act 1999 and Trade and Merchandise Marks act 1958?

Key Provisions of law invoked: In this landmark ruling two important provisions were invoked and these were **Section 27(2) of the Trademarks Act of 1999** (deals with Passing Off) and **Section 106 of the Trade and Merchandise Act of 1958**. Let’s us discuss these two provisions in brief as follows-

- **Section 27(2) of the Trademarks Act, 1999:** “*Nothing in this Act shall be deemed to affect rights of action against any person for passing off goods or services as the goods of another person or as services provided by another person, or the remedies in respect thereof*”.²
- **Section 106(1) of Trade and Merchandise Act, 1958:** “*The relief which a court may grant in any suit for infringement or for passing off referred to in section 105 includes an injunction (subject to such terms, if any, as the court thinks fit) and at the option of plaintiff, either damages or an account of profits, together with or without any order for the delivery up of the infringing labels and marks for destruction or erasure*”.³

Critical Analysis and Judgment by Court:

In this case plaintiff **Yahoo! INC** contended that the motive of defendant Akash Arora behind using word **YAHOO** as a part of defendant’s trade and domain name was to encroach or ride upon the goodwill, fame and reputation earned by plaintiff as a result of using **YAHOO**. This contention of plaintiff in this case was acknowledged by a perception that there was the high likeness of deception and confusion among the consumers and same will lead them into believing the services provided by defendant Akash Arora belong to the Plaintiff Yahoo! INC. In other words, there were situation where, consumers were made to associate the qualities offered by defendant with that of plaintiff. On the basis of these contentions, plaintiff argued that defendant infringed upon the tradename or domain name of plaintiff.

After observing the Argument of Plaintiff Yahoo INC, Hon’ble High Court of Delhi prohibited the defendant from carry on its business with using word yahoo as a part of its domain or trade name and court further ruled that if defendant uses a mark identical to that of plaintiff in order to offer services same as that of plaintiff, then it constitutes “Cybersquatting”. Hon’ble Court ruled that Defendant Akash Arora attempted to impair upon the goodwill of Plaintiff Yahoo INC and defendant therefore held liable for infringement. To reach this judgment hon’ble court cited a statement that “Goodwill of a business’s reputation lies majorly in its name and its Trademark” and so was in case of Yahoo INC and court further said that YAHOO gained a reputation so such use by defendant should be discontinued for forever. Hence, Court granted a passing off remedy in favor of Plaintiff Yahoo! INC.

² The Trade Marks Act, 1999 (Act 47 of 1999), s. 27(2).

³ The Trade and Merchandise Marks Act, 1958, s. 106(1).

Conclusion:

The case of the *Yahoo INC v. Akash Arora (1999)* was a notable verdict on the most popular domain name dispute namely “*Cybersquatting*” and court in this case widened the scope of trademark law and trademark regime in India. In this case Delhi High Court declared for first time that Domain Names have same characteristics as that of Trademark in India. This verdict highlighted the topmost issues relating to the intellectual property law as concerning the passing off under the Indian trademark regulations. ***Section 27 and Section 29 of the Trade and Merchandise Marks Act, 1958 were also the subject to the major discussions of this landmark case.***

Before this judgment came into play, there were no registration available to the domain names as trademarks and Domain Names in order to register, have to pass out a distinctiveness test. Then, Domain Names were called as the legal grey area concerning with the registration of trademark. Prior to this notable ruling, simply a website could not be eligible for getting registered and in order to qualify for registration it required to pass a test of checking whether a website name have an enough capability to serve as trademark for the purpose of business’s product or services. However, hon’ble court are embodied with the authority to restrain the companies from using the marks, that are identical or deceptively similar.

“If a particular defendant conducted his business under a name similar to a ‘famous’ and ‘distinct’ domain name of the plaintiff, with the condition that the two businesses were in the marketplace, this similarity could lead to the public being misled into mistaking one business’s goods or service for other”⁴

Ways Paved by Yahoo INC v. Akash Arora’s Notable Verdict:

This landmark case law of *Yahoo INC v. Akash Arora (1999)* paved way for number of other judicial pronouncements and most popular in these are as follows:

- ***Acqua Minerals Limited v. Pramod Borse***, ⁵In this case hon’ble court granted a decree of permanent injunction in favour of plaintiff **BISLERI**.
- ***Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.***, ⁶this case the first dispute over the domain name protection to be decided by the Hon’ble Apex Court of India where court declared that the domain names are the subject to the same laws that of trademark and passing off remedies available in trademark laws of India will also be applicable to the domain names disputes. In this case many provisions of ***The Trademarks Act, 1999 were invoked such as Section 2(1)(zb), 2(1)(m), 2(1)(j), 2(1)(z) and Rule 4 of ICANN.*** Hon’ble Supreme Court here declared that the utilization of similar domain names attracts the similar ingredients of passing off such as So far gained Reputation of Business in marketplace, Protection of Goodwill earned, not to deceive consumers but causing confusion in their minds and thereby loss/damage. Finally, court in this case rules in favor of appellant Satyam Infoway Ltd.

⁴ Passing Off According to the Trade and Merchandise Marks Act, 1958.

⁵ AIR 2001, Del. 463.

⁶ AIR 2004 SC 3540.