

MANU/DE/0909/2002

Equivalent Citation: 2002(25)PTC322(Del)

IN THE HIGH COURT OF DELHI

IA No. 2996/02 in S. 1842/2001

Decided On: 12.07.2002

Appellants: **Eicher Limited and Anr.**
Vs.

Respondent: **Web Link India and Anr.**

Hon'ble Judges/Coram:

Sharda Aggarwal, J.

Counsel:

For Appellant/Petitioner/plaintiff: Pratibha M. Singh, Teena Jain and Ritika Anand, Advs

For Respondents/Defendant: Ajay Majithia, Adv.

Subject: Intellectual Property Rights

Acts/Rules/Orders:

Code of Civil Procedure (CPC) - Section 151, Code of Civil Procedure (CPC) - Order 39 Rule 1, Code of Civil Procedure (CPC) - Order 39 Rule 2; Indian Trade Marks Act; Indian Trade Marks and Merchandise Act - Section 27, Indian Trade Marks and Merchandise Act - Section 29

Cases Referred:

Yahoo Inc. v. Akash Arora and Anr., 1999 (19) PTC 201; In Marks and Spencer v. One-in-a-Million, 1998 FSR 265

Case Note:

The case discussed the protection of domain name of the plaintiff under Section 27(2), 29 and 106 of the Trade and Merchandise Marks Act, 1958 – The plaintiff was the proprietor of the mark registered under various classes as 'EICHER' and the defendant was a web hosting company, engaged in creation of web sites and domain names – The defendant had got the domain name 'EicherTractors.Com' registered with the registering authority 'Network Solutions Inc.' – The defendant had pleaded that the domain name was got registered at the instance of the plaintiff and the plaintiff had failed to pay the cost of registration – It was held that the domain name was entitled to equal protection as a trademark and the case was prima facie in favor of the plaintiff – Further, the plea raised by the defendant could not be decided at the current stage of the case – Thus the domain name was directed to be transferred in favor of the plaintiff under the Uniform Domain Name Dispute Resolution Policy, during the pendency of the suit

JUDGMENT

Sharda Aggarwal, J.

1. plaintiff No. 1 is a flagship company of the group of companies popularly know as EICHER Group which was started in 1948. plaintiff No. 2, Eicher Goodearth Limited (EGL) promoter company of the EICHER Group of companies. EGL, plaintiff No. 2, is the proprietor of the mark registered as "EICHER" and the plaintiff No. 1 and other companies of the EICHER Group are entitled to use said mark on account of authorization/license from EGL. The trade mark "EICHER" registered in India and abroad under various classes. The EICHER logo is also registered with the copyright office. The plaintiffs over a period have achieved great reputation and goodwill in India and abroad and deal with the manufacturing and marketing of Tractors, Light Commercial Vehicles, Automotive Gears, Motorcycles, Generating sets, Diesel engines and Export of vehicles etc. Over a period of time the mark "EICHER" has acquired reputation and goodwill and is associated exclusively with the plaintiff. Apart from the word "EICHER" being used as a trade mark on the products of the plaintiff has also been adopted by the plaintiff as a domain name on the internet. In para 11 of the plaint the plaintiffs have given the details of various domain names registered using the name "EICHER". The plaintiffs' case is that they came to know in April, 2001 that the defendants without any authorisation, permission or license of the plaintiff got illegally and unlawfully registered on 1.3.2000 the domain name "eichertractors.com" in their own name. On visiting the website of Network Solutions Inc. (Registering Authority of the domain names) it was confirmed that the defendants had got the same registered in their own name. The defendants got the domain

manupatra name registered in bad faith and with a view to encash upon the reputation and goodwill enjoyed by the plaintiff. Confusion is bound to be created as any user of this domain name would go to defendant's web site believing it to be that of the plaintiff. This according to the plaintiff constitute passing off action by the defendants and that its activities are taken to be that of the plaintiff or connected with the plaintiffs. The plaintiffs on coming to know of the unauthorised registration of the domain name "eichertractors.com" in the name of the defendants, filed the present suit for permanent injunction restraining the defendants from using the mark "EICHER" and/or "eichertractors.com" as part of their domain name for transfer of the same to the plaintiff and for damages and delivery up etc. Along with the suit the plaintiffs also moved an application under Order 39 Rules 1 and 2 CPC praying for ad-interim injunction against the defendants. The suit and the application came up for hearing on 10.9.2001 when an ex-parte injunction against the defendants was granted, restraining them from using the trade mark "EICHER" and/or "EICHERTRACTOR.S.COM" as part of their domain name or from transferring the said domain name to any other person or creating any third party interest in that domain name. The defendants were also restrained from launching any website under the aforesaid domain name. On receipt of the summons, the defendants put in appearance on 17.01.2002 when they were granted time to file their written statement. In the meanwhile, the plaintiffs filed the present application under Section 151 CPC for direction to the defendants to transfer the domain name "eichertractors.com" to the plaintiffs subject to the final orders to be passed in the suit and on plaintiffs giving an undertaking that if the present suit is decided against the plaintiffs the domain name would be transferred back to the defendants. Notice of this application was issued to the defendants. They filed reply to the application. The defendants also filed a short reply to the plaint. By this order, I proposed to dispose of the said application.

2. The defendant No. 1 is a web hoisting company and is engaged in creation of websites and domain names. The defendants do not dispute that they got the domain name "eichertractors.com" registered with the Registering Authority Network Solutions Inc. Their main defense is that in relation to the domain name, suit for passing off action is not maintainable. Their further defense is that the domain name "www.eichertractors.com" was got registered on 01.03.2000 at the instance of the plaintiff and at their own costs and the plaintiffs have failed to make the payment of Rs. 84,900/- as per their invoice No. 248 dated 29.05.2000. The defendants are ready and willing to transfer the domain name in favor of the plaintiffs on receipt of the entire costs allegedly incurred by them for registration of the said domain name.

3. Learned counsel for the defendants contends that there cannot be an action of passing off with regard to the domain name "www.eichertractors.com" as the services rendered by the plaintiff and the defendants cannot be said to be goods within the meaning of Indian Trade Marks Act, which relates only to goods and not services. It is submitted that the persons using internet and seeking to reach the internet site are technically educated and literate persons and, Therefore, there is no possibility of any customer reaching the internet site of the defendants with the intention of reaching the internet site of the plaintiff and thus it is not a case of unwary customers which is applicable in a case of infringement of trade mark and passing off.

4. Ms. Pratibha M. Singh, learned counsel for the plaintiff contends that with the advancement of internet communication, the domain name has attained as much legal sanctity as a trade name as the services rendered through the internet are crucial for any business. The domain name needs to be preserved so as to protect such provider of service against anyone else trying to traffic in or use the domain name. In this modern day world of advanced technology the various companies and organisations in order to promote their products globally have taken shelter with internet facilities. Till these companies have such a name over which they have a superior title and absolute ownership by which they are identified, it is difficult to reach them on the internet. Such a name facilitates the users to reach such company or organisation on a website. It is submitted that in view of the revolution in the field of information technology domain name has acquired more importance than the trade name. A domain name is frequently used by companies and commercial organisations. The importance of domain name has attained tremendous proportion as now a person can buy and sell products on the internet.

5. Ms. Pratibha M. Singh, with a view to refute the defense that the provisions of the Indian Trade Marks and Merchandise Act (in short the Act) are not attracted to the use of domain name on the internet as the trade services do not find place under the provisions of the Act, has contended that the services rendered through internet domain name have at least to be recognised for an action of passing off.

6. In support of her contention, learned counsel placed reliance on a decision of this Court in Yahoo Inc. v. Akash Arora and Anr. **1999 (19) PTC 201** wherein the controversy related to the domain name "Yahoo" of the plaintiffs and "Yahooindia.com" of the defendants. The defense taken by the defendants in the said case was that there could not be any action of passing off against the defendants as the services rendered by them were not covered under the provisions of the Act. After considering the various provisions of the Act and considering the decision in Marks and Spencer v. One-in-a-Million **1998 FSR 265** . It was held as under:--

"In Marks & Spencer v. One-in-a-Million; reported in 1998 FSR 265, it was held that any person who deliberately registers a domain name on account of its similarity to the name, brand name or trademark of an unconnected commercial organisation must expect to find himself on the receiving end of an injunction to restrain the threat of passing off, and the injunction will be in terms which will make the name commercially useless to the dealer. It

was held in the said decision that the name 'marks and spencer' could not have been chosen for any other reason than that it was associated with the well-known retailing group. The decision further goes on to say that where the value of a name consists solely in its resemblance to the name or trade mark of another enterprise, the Court will normally assume that the public is likely to be deceived, for why else would the defendants choose it? It was also said that someone seeking or coming upon a website called <http://marksandspencer.co.uk> would naturally assume that it was that of the plaintiffs. Thus, it is seen that although the word 'services' may not find place in the expression used in Sections 27 and 29 of the Trade and Merchandise Marks Act, services rendered have come to be recognised for an action of passing off. Thus law of passing off is an action under the common law which also is given a statutory recognition in the Trade Mark Act. Thus in the context and light of the aforesaid decisions and the development in the concept of law of passing off, it is too late in the day to submit that passing off action cannot be maintained as against services as it could be maintained for goods."

7. Thus the settled position which emerges is that a domain name is of vast importance and is a valuable asset. It is more than an internet address and is entitled to equal protection as a trade mark, and passing off action is maintainable against a provider of service through internet who infringes upon the rights of another service providers.

8. The domain name "eichertractors.com" got registered by the defendants, on being used by customers, is bound to create confusion as it would take the users to the defendants website which has nothing to do with the plaintiffs' goods or business. By getting the aforesaid domain name registered, the defendants have created confusion in the minds of the users as they would take the website of the defendant as that of the plaintiff. In the given facts of this case, the present suit for passing off is maintainable against the defendants.

9. Regarding the further defense of the defendants that the domain name was got registered at the instance of the plaintiff and they have failed to pay the costs of the registration, learned counsel for the plaintiffs has denied that the domain name was got registered at the instance of the plaintiff. The defendant's case is that an invoice dated 29.5.2000 for Rs. 84,900/- was issued being the costs of the registration etc. of the domain name and website which the plaintiff has failed to pay. The learned counsel for the defendants contend that in fact the defendants are ready to transfer the domain name "www.eichertractors.com" to the plaintiffs on receipt of the entire costs incurred by them for its registration. According to them they have also created a website "www.eicher.com" for the plaintiffs but they have not used the same. It is submitted that they have not used the aforesaid domain name either before its registration or subsequent thereto. The fact as to whether the domain name was got registered by the defendants at the instance of the plaintiffs or they have failed to pay its costs cannot be decided at this stage. The plaintiffs have made out a prima facie case for the transfer of the domain name in their favor. In any case the plaintiffs are willing to give an undertaking to the effect that the domain name "eichertractors.com" if transferred to them would be retransferred to the defendants in the event of plaintiff's not succeeding at the end. Thus in view of the given facts of the case and the admission of the defendant that the domain name "eichertractors.com" was got registered by the defendants to my mind no prejudice would be caused to the defendants if the domain name is ordered to be transferred to the plaintiff during the pendency of the suit. The defendants are, Therefore, directed to get the domain name "eichertractors.com" transferred by the Registering Authority to the plaintiffs within ten days from the plaintiffs' filing an affidavit giving an undertaking that if the present suit is decided against the plaintiffs the domain name shall be re-transferred to the defendants. The application is, accordingly, disposed of.

10. It is, however, made clear that my expression of opinion in this order shall have no bearing on the merits of the case.