



EFFICIENTLY TACKLE CYBER-SQUATTERS: LESSONS TO BE LEARNT FROM ICANN'S TRADEMARK CLEARINGHOUSE*

INTRODUCTION

The term cybersquatting is nothing new for those who owns or deals with trademarks. Cybersquatting is the practice of registering or trafficking in a name that is similar to or confusingly similar to a trademark of a well-known company, as internet domain name, with bad faith intent to resell it at a profit. The Delhi High Court, in 2002, has given a simple definition for the term cybersquatting by stating it as “an act of obtaining fraudulent registration with intent to sell the domain name to the lawful owner of the name at a premium”¹. In the current e-Earth we live in, everything is getting digitalized and online presence is very important for any business to retain its market share. But the issues posted by cybersquatters have increasingly become harassment for the brand owners in protecting their valuable names online. As long as the cybersquatters owns a domain name, the rights available under the law for the owner of a registered trademark is at concern and also he cannot create his presence in the digital environment by registering his own trademark as domain name².

Except few developed economies, all countries protect the interest of the right holders in the online medium under the trademark laws and the common law doctrine of passing-off. Apart from the available legal/judicial protection, arbitrations under the policies drafted by the domain name registries act as a major relief for the brand owners. At the international level, Internet Corporation for Assigned Names and Numbers (ICANN) has introduced Uniform Dispute Resolution Policy (UDRP) to provide an alternative dispute settlement mechanism with respect to disputes involving domain names registered under the generic Top Level Domains (gTLD)³. At the national level, countries have their own ADR methods to settle disputes related to domains registered under their respective country code Top Level Domains

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¹ *Manish Vij v. Indra Chugh*, AIR 2002 Del 243.

² Monica Kilian, “Cybersquatting and Trademark Infringement”, 7(3) *Murdoch University Electronic Journal of Law* 11 (2000).

³ A website name or an universal resource locator (URL) comprises of minimum 2 important parts i) a secondary level domain, which is the middle part of the web address that actually represent a site and ii) a top-level domains at the end. For Example, in www.google.com, google is the secondary level domain and .com is the top-level domain. Top-level domains are usually divided into two: generic top-level domains (gTLD) and country code top-level domains (ccTLD). A gTLD is a category of domain name suffix maintained by the ICANN for the use of domain name system of the Internet. Earlier until 2013, there were only 22 gTLDs were accredited by ICANN For example, .com, .net, .org, .edu, etc..

(ccTLD)⁴. In India, the INRegistry, which is assigned with a primary responsibility to administer '.in'ccTLD, has established its own .IN Domain Name Dispute Resolution Policy (INDRP) to deal with disputes under .in ccTLD. But all these protection mechanisms are available only when there is a potential threat or loss to the brand owners. i.e., only after the cybersquatter earns profit from the squatted domain name using advertisements.

Implementation of new gTLDs and Rights Protection Mechanisms:

Starting autumn 2013, in addition to the existing 22gTLDs and 249 ccTLDs, the ICANN has implemented the new gTLD program with the introduction of around 10-20 new gTLDs every month. The wide range of new gTLDs accredited by ICANN includes .party, .burger, .pharmacy, .sucks, .attorney, etc.. With the introduction of above 2000 new gTLDs, brand owners were at the knife-edge to have proper monitoring system in place to protect their brand against cybersquatters registering their trademarks under every new gTLD. To effectively take on the menaces predicted with the new gTLDs, the ICANN within the package itself introduced two new rights protection mechanisms called Trademark Clearinghouse and Uniform Rapid Suspension (URS). URS is a cost effective alternative to the UDRP arbitration procedure with respect to new gTLDs. Whereas the unique system introduced in the name of Trademark Clearinghouse is a proactive mechanism that enables the brand owners to register their names before anybody else and receive notifications on any potential cybersquatting activities by third parties.

Trademark Clearinghouse:

On 26 March 2013, Trademark Clearinghouse of ICANN was introduced well in advance of the launch of first new gTLD. Owner of any word mark registered in any jurisdiction can apply for entering his trademark record with the clearinghouse⁵. Once a trademark has been included in the clearinghouse record and validated for proof of use, the owner will get the benefit of priority in registering domain names under every new gTLDs during its sunrise period and will continuously receive notifications when someone tries to register the trademark as a domain name under any new gTLD.



Sunrise Period for Priority Registration:

⁴ A country code top-level domain (ccTLD) is a TLD that is generally reserved for a country and it corresponds to the two letter country codes prescribed by the International Organization for Standardization (ISO 3166-1 alpha-2 country codes). For example in www.google.co.in, .in is the ccTLD for India.

⁵ Only a word mark registered or protected under the national/regional laws can be registered with the clearinghouse. Following are the basic criteria for inclusion of a clearinghouse record: 1) Nationally or regionally registered word marks from all jurisdictions. 2) Any word mark that has been validated through a court of law or other judicial proceeding. 3) Any word mark protected by a statute or treaty in effect at the time the mark is submitted to the Clearinghouse for inclusion. 4) Other marks that constitute intellectual property. 5) Protections afforded to trademark registrations do not extend to applications for registrations, marks within any opposition period or registered marks that were the subject of successful invalidation, cancellation or rectification proceedings. Link: http://www.trademark-clearinghouse.com/downloads?title=guidelines&field_category_tid=All (last accessed on 2 August 2015).

All trademarks registered with the clearinghouse and validated for proof of use will get a period (sunrise period) of 30 days before the new gTLD is opened for registration by general public. This will provide a priority period for the trademark owners to register and safeguard their trademarks as a domain names under the new gTLD⁶. This 30 days period is a mandatory requirement for all new gTLD registries to give priority for trademark owners with clearinghouse record in terms of registering a domain name.

Trademarks Claims Warningfor Potential Infringers:

Once a new gTLD is opened for public registration, the registries will actively monitor the application for registration of a domain name that matches with the trademark record in the clearinghouse for a period of 90 days and warn the potential domain name registrant of such existing trademark record that is identical to the domain name applied for. If the registrant ignores such warning and continued with registration of the domain name, the registry will send a notice (trademark claims notice) to the trademark owner to alert him of such domain name registration so that he can take necessary actions at the earliest.

Ongoing Notification Service to Alert the Rights Holder:

After the completion of 90 days trademark claims period, any registration of domain names under the new gTLDs that is identical with the trademark record in the clearinghouse will be intimated to the trademark owner. But the domain name registrant will not receive any warning letter of such potential infringement of a trademark. This notification mechanism is an ongoing system that will continue until the expiry of the trademark record in the clearinghouse. The trademark owner who registered his mark with the clearinghouse is also has the liberty to disable this ongoing notification service.

Benefits of Clearinghouse Registrations:

The Trademark Clearinghouse is the most significant effort from ICANN to introduce an effective rights protection mechanism under the new gTLD program. Though it does not present anyuniversal protection of kind for trademarks in the internet medium, all three services provided by the clearinghouse are of international value with respect to new gTLDs. These serviceshave certain distinctive advantage over the similar existing services provided by third party service providers. First the sunrise period is something that has been offered by every TLDs even before the launch of new gTLD program. But what makes the clearinghouse record beneficial is the notification requirement on new gTLD registries to the trademark owners of their sunrise period start and end date. The trademark owners with clearinghouse record are nownot required to monitor the release of every new gTLD. Also, during the sunrise period, the registry cannot charge any additional fee from the trademark owners with clearinghouse record for the registration of domain name.

Trademark claims and the ongoing notification services of the clearinghouse are also offered by many large domain name watching service providers, but at an exorbitant cost. For all services offered by the clearinghouse, the trademark owner is required to pay just \$150, \$435

⁶ Marks included in the clearinghouse can be registered as a domain name under the new gTLD during the sunrise period depending upon the signed mark data (SMD), which is a system of converting a mark into a domain name labels that are technically valid in the domain name system. For example, if the trademark included in clearinghouse is MY MARK, then the SMD generated for the mark will show that the owner is allowed to register 'mymark.gTLD' or 'my-mark.gTLD' during the sunrise period, based on the number of domain name labels included in the SMD. For more information: <http://www.trademark-clearinghouse.com/help/faq/what-purpose-smd-file> (last accessed on 3 August 2015)

& \$725 respectively for the entire one, three & five years⁷. Furthermore, unlike a third party watching services which generally takes some time to recognize and notify potential infringement, trademark claims and ongoing notification services sends real-time notification to the trademark owners about any domain name registration that matched their clearinghouse record. In all, ICANN's trademark clearinghouse is a complete package with great deals that will empower the trademark owners proactively fight-back at cybersquatters.

.in ccTLD of India:

In India, since 1 January 2005, IN Registry is the authority operated under the National Internet Exchange of India (NIXI) responsible for maintaining domain names under the unrestricted domains like .in, co.in, net.in, org.in etc. and restricted domains like ac.in, edu.in, gov.in, etc. INDRP established by the INRegistry helps the trademark owners fight against the registrants registering domain names under .in ccTLD in bad faith. INDRP is an arbitration procedure similar to URDP and URS procedures established by the ICANN. The number of complaints filed under the INDRP keeps on increasing every year. With rise in internet usage and cybersquatting activities in India, in 2015 alone 70 domain name disputes have been filed under the INDRP.

Benefits of clearinghouse like mechanism in India:

Currently, the administrative fee for filing a complaint under INDRP is set at ₹ 30,000 and applicable service taxes⁸. Just by paying a token amount of less than hundred bucks⁹, cybersquatters directly thrust the trademark owners to pay a large sum for INDRP arbitration or legal proceedings to recover his name under the .in ccTLD. These cybersquatters always demands an amount that is much lesser than INDRP fee from the trademark owner, for selling the domain name, to which the later responds in positive after considering the cost for INDRP or judicial proceedings. This in a way allows the cybersquatters to take advantage of the existing procedures and at the end of the day the trademark owner has to suffer ludicrous cost for protecting his lawful right in multiple mediums.

Conclusion

Taking into account the enormous success of ICANN's trademark clearinghouse, it would be appropriate to consider introduction of a system similar to trademark claims services in India for domain name registrations under the .in ccTLD. In above 75% of the INDRP cases, the respondents (cybersquatters) leave back the registered domain names after receiving a copy of the complaint from the INRegistry. If the INRegistry establish a mechanism similar to trademark claims services, the potential infringers will not proceed with registration of a domain name when he receives a warning letter from the registry, which will save a large amount of time and money of the trademark owners. Considering the rapid expansion of internet in our day-to-day activities, it is the high time for NIXI & INRegistry to examine the relevance of introducing such powerful rights protection mechanism in India to ensure legal rights of the brand owners in the online environment.

⁷ Fee reduction/Advanced fee structure is also available for trademark holders applying for several clearinghouse records. For more information: <http://www.trademark-clearinghouse.com/content/trademark-clearinghouse-fees> (last accessed on 5 August 2015).

⁸ Link: <https://registry.in/node/887> (last accessed on 5 August 2015).

⁹ Domain name registrations under .in ccTLD starts from just ₹ 99. Link: <https://in.godaddy.com/tlds/in.aspx?ci=94304&tld=in> (Last accessed on 5 August 2015).