

Yahoo! Inc. vs Akash Arora (1999)

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ORDER Dr. M.K. Sharma, J. (Delhi High Court)

1. The present suit has been instituted by the plaintiff against the defendants seeking for a decree of permanent injunction restraining the defendants, their partners, servants and agents from operating any business and/or selling, offering for sale, advertising and in any manner dealing in any services or goods on the Internet or otherwise under the trademark/domain name 'Yahooindia.Com' or any other mark/domain name which is identical with or deceptively similar to the plaintiff's trademark 'Yahoo!' and also for rendition of accounts and damages. The plaintiff has also filed an application under Order 39 Rules 1 & 2 CPC praying for an ad interim temporary injunction restraining the defendants from operating any business and/or selling, offering for sale, advertising and in any manner dealing in any services or goods on the Internet or otherwise under the trademark/domain name 'Yahooindia.Com' or any other mark/domain name which is identical with or deceptively similar to the plaintiff's trademark 'Yahoo!'.

2. Mr. Kapil Sibbal, counsel appearing for the plaintiff submitted that the plaintiff is the owner of the trademark 'Yahoo!' and domain name 'Yahoo.Com', which are very well-known and have acquired distinctive reputation and goodwill and the defendants by adopting the name 'Yahooindia' for similar services have been passing off the services and goods of the defendants as that of the plaintiff's trademark 'Yahoo!' which is identical to or deceptively similar to the plaintiff's trademark. It was submitted that a domain name/trademark adopted by the plaintiff is entitled to equal protection against passing off as in the case of a trademark. In support of his submission, the learned counsel heavily relied upon the ratio of the decisions in Marks & Spencer Vs. One-in-a-Million; reported in 1998 FSR 265. It was submitted that the trademarks and domain names are not mutually exclusive and there is an overlap between the trademarks and services rendered under domain names and thus by dopting a deceptively similar trademark 'Yahooindia', the defendants have verbatim copied the format, contents, lay out, colour scheme, source code of the plaintiff's prior created regional section on India at Yahoo.com.sg and thus passing off the services of the defendants as that of the plaintiff. He submitted that Internet users are familiar with the practice of companies to select domain names that incorporate their company name, well-known trademark, and/or product/service name and generally attempt to locate a particular company's Web site by simply typing in www.(company name).com or www.(product name).com when they are unsure of the Internet address of the Company. According to him, thus, it would not be unusual for someone looking for an authorised 'Yahoo!' site with India-specific content to type in 'Yahooindia.com', i.e., the defendants' domain name and thereby instead of reaching the Internet site of the plaintiff, the said person would reach the Internet site of the fendants'. He further submitted that the plaintiff in fact provides extensive content on India, both on its Yahoo! Asia site and at its main Yahoo.com site, under the categories "Regional:Countries:India". It was submitted that the defendants being in the same line of activity as that of the plaintiff, the defendants have tried to be 'cyber-squatters' and, thus, dishonesty is writ large as the defendants have adopted a rademark similar to that of the plaintiff which is 'Yahoo.com' which has acquired a distinctive name, goodwill and reputation.

3. Mr. Harish Malhotra, counsel appearing for the defendants, however, refuted the aforesaid allegations and submitted that the trademark laws in India relate to goods and, therefore, the provisions of Indian Trade Marks Act are not applicable to the facts and circumstances of the present case which deals only with goods. It was also submitted that the trademark/domain name 'Yahoo!' of the plaintiff is not registered in India and, therefore, there cannot be an action for infringement of the registered mark nor could there be any action of passing off as the services rendered both by the plaintiff and the defendants cannot be said to be goods within the meaning of the Indian Trade Marks Act which is concerned only with goods and not services and thus the decisions relied upon by the counsel appearing for the plaintiff are not relevant for the purpose of deciding the present case. He further submitted that the word "Yahoo!" is a general dictionary word and is not vented and, therefore, it could not have acquired any distinctiveness and since the defendants have been using disclaimer, there could be no chance of any deception and thus, no action of passing of is maintainable against the defendants. He also submitted that the persons using Internet and seeking to reach the Internet site are all 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 customer which is applicable in a case of infringement and passing off of the trademark. In the light of the aforesaid submissions, let me now consider as to whether the plaintiff has been able to make out a prima facie case for grant of temporary injunction as sought for in the application.

4. The domain name 'Yahoo.com' is registered in the plaintiff's favour with Network Solution Inc since 18th January, 1995. The trademark 'Yahoo!' and its variance are registered or pending registration in 69 countries of the world. As is disclosed from the records, an application for registration of the trademark of the plaintiff 'Yahoo!' is also pending in India. The plaintiff is a global Internet media rendering services under the domain name/trade name 'Yahoo!'. The Internet is a global collection of computer networks linking millions of public and private computers around the world. The Internet is now recognised as an international system, a communication medium that allows anyone from any part of the globe with access to the Internet to freely exchange information and share data. The Internet provides information about various corporations, products as also on various subjects like educational, entertainment, commercial, government activities and services. A computer or device that is attached to the Internet has an address which is known as Domain name. The same is established by using suffix 'com' and registering with Network Solutions Inc. A domain name identifies a computer or a Sub Network of computers in the Internet. One way to establish a presence on the Internet is by placing a web page. The plaintiff, it is stated, was amongst the first in the field to have a domain name 'Yahoo' and also to start a Web directory and provide search services. In June, 1994, the said directory was named 'Yahoo!' which is a dictionary connotation which was adopted by the plaintiff and is providing the said service at the Internet under the domain name/trade name 'Yahoo!'.

5. The plaintiff is admittedly providing various services including services on the regional section also. In view of growing popularity of 'Yahoo!' of the plaintiff, it was submitted that many third parties started imitations by using sound-alike names in order to appropriate the reputation and goodwill acquired by the plaintiff in respect of the trademark/name 'Yahoo!' in India and that the defendant is one of such parties who in order to appropriate the reputation and goodwill acquired by the plaintiff in respect of the said trademark 'Yahoo!' adopted the trademark/domain name 'Yahooindia.com' for their Internet site although their trading name is Net link Internet Solutions.

6. Let me, therefore, examine the rival contentions and defense raised by the defendant one by one.

7. One of the submissions was that the domain name 'Yahoo!' of the plaintiff is not used in relation to goods, but, in relation to services and since services are not included within the ambit of section under Sections 27(2) and 29 of the Trade Mark Merchandise Act (referred to as the 'Act' in short) and, therefore, the plaintiff cannot plead for action of passing off in relation to such services. In support of his submission, the learned counsel drew my attention to the provisions of Section 2(5), Sections 27, 29 and Section 30 of the Act and contended that only goods are recognised for the purpose of preferring an action for infringement or passing off. Admittedly the present case is not for an action for infringement of a registered trademark, but, an action for passing off. The law relating to passing off is fairly well-settled. The principle underlying the action is that no man is entitled to carry on his business in such a way as to lead to the belief that he is carrying on the business of another man or to lead to believe that he is carrying on or has any connection with the business carried on by another man. It is also well-established that passing off action is a common law remedy. There are a plethora of cases wherein it has been held that the principles of common law govern actions of passing off and have been recognised by Section 27(2) and Section 106 of the Trade and Merchandise Marks Act, 1958. In this commentary, reference may be made to the well-known treatise on the law of Trademarks and passing off, of P. Narayanan. In paragraph 25.102 of the fourth edition of the said treatise, it is stated thus:-

"The general principles of the law applicable to cases where a person uses a name or intends to use a name which is likely to deceive and divert the business of the plaintiff to the defendant or cause confusion between the two businesses are analogous to the principles which are applicable to ordinary cases of passing off relating to sale of goods."

8. Reference may be made to the decision of this Court in *Monetary Overseas Vs. Montari Industries Ltd.*; reported in 1996 PTC 142, wherein it was found that the defendant adopted a trade name that was identical to that of the plaintiff and the court while injunctioning the defendant held thus:-

"When a defendant does business under a name which is sufficiently close to the name under which the plaintiff is trading and that name has acquired a reputation and the public at large is likely to be misled that the defendant's business is the business of the plaintiff, or is a branch or department of the plaintiff, the defendant is liable for an action in passing off."

Similarly, there are other cases wherein the services rendered by a person have been included within the scope of passing off. In this connection, reference may be made to the decisions in *Neev Investments & Trading Pvt. Ltd. Vs. Sasia Express Couriers*; reported in 1993 PTC 184. In *Ellora Industries Vs. Banarsi Dass & Ors.*; reported in 1981 PTC 46, it was held that the plaintiffs and the defendants are direct competitors and 'Ellora' as a business name suggests association with the plaintiffs' registered trade mark and, it is suggestive of the fact that the goods come from the same source and, therefore, is a misrepresentation for business purposes as to the origin of goods which the defendants manufacture in the course of their business. In paragraph 12 of the said judgment, it was held thus:

PASSING OFF:

"12. The purpose of this tort is to protect commercial goodwill to ensure that peoples' business reputations are not exploited. Since business "goodwill is an asset, and therefore species of property the law protects it against encroachment as such. The tort is based on economic policy, the need to encourage enterprise and to ensure commercial stability. It secures a reasonable area of monopoly to traders. It is thus complementary to trade mark law which is founded upon statute rather than common law. But there is a difference between statute law relating to trade marks and the passing off action; for, while registration of relevant mark itself gives title to the registered owner, the onus in a passing off action lies upon the plaintiff to establish the existence of the business reputation which he seeks to protect. The asset protected is the reputation the plaintiffs' business has in the relevant mark. This is a complex thing. It is manifested in the various indicia which lead the client or customer to associate the business with the plaintiff; such as the name of the business, whether real or adopted, the mark, design, make up or colour of the plaintiffs goods, the distinctive characteristics of services he supplies or the nature of his special processes. And it is around encroachments upon such indica that passing off actions arise. What is protected is an economic asset:" (emphasis is mine)

9. Lord Halsbury defined the tort of passing off in *Reddaway Vs. Banham*; reported in 1696 A.C. 199. In paragraph 31 of the aforesaid decision of this Court in *Ellora Industries (supra)* it was said that it is not always necessary that there must be in existence goods of that other man with which the defendant seeks to confuse his own. Reference was also made to the observation of Lord Greene M.R., who observed that:-

"Passing off may occur in cases where the plaintiffs do not in fact deal with the offending goods".

10. Therefore, it is obvious that where the parties are engaged in common or overlapping fields of activity, the competition would take place. If the two contesting parties are involved in the same line or similar line of business, there is grave and immense possibility for confusion and deception and, therefore, there is probability of sufferance of damage. In this case also both the plaintiff and the defendants have common field of activity. They are operating on the Web site and providing information almost similar in nature. In *Card service International Inc. Vs. McGee*; reported in 42 USPQ 2d 1850, it was held that the domain name serve same function as the trademark and is not a mere address or like finding number on the Internet and, therefore, it is entitled to equal protection as trademark. It was further held that a domain name is more than a mere Internet address for it also identifies the Internet site to those who reach it, much like a person's name identifies a particular person or more relevant to trade mark disputes, a company's name identifies a specific company. Accordingly, the Court granted the injunction upon consideration fo the relevant law namely, Section 32 of the Lanham Act. In the facts of the said case it was held that Cardservice International's customers who wish to take advantage of its Internet services, but do not know its domain name are likely to assume that "cardservice.com" belongs to ardservice International. It goes on to hold that these customers would instead reach McGee and see a home page for "Card Service" and thereby many would assume that they have reached Cardservice International.

11. In *Marks & Spencer Vs. 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 njunction will be in terms which will make the name commercially useless to the dealer. It was held in the said decision that the name 'marksandspencer' 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](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.

12. The services of the plaintiff under the trademark/domain name 'Yahoo!' have been widely publicised and written about globally. In an Internet service, a particular Internet site could be reached by anyone anywhere in the world who proposes to visit the said Internet site. With the advancement and progress in technology, services rendered in the Internet has also come to be recognised and accepted and are being given protection so as to protect such provider of service from passing off the services rendered by others as that of the plaintiff. As a matter of fact in a matter where services rendered through the domain name in the Internet, a very alert vigil is necessary and a strict view is to be taken for its easy access and reach by anyone from any corner of the globe. There can be no two opinions that the two marks/domain names 'Yahoo!' of the plaintiff and 'Yahooindia' of the defendant are almost similar except for use of the suffix 'India' in the latter. The degree of the similarity of the marks usually is vitally important and significant in an action for passing off for in such a case there is every possibility and likelihood of confusion and deception being caused. When both the domain names are considered, it is crystal clear that the two names being almost identical or similar in nature, there is every possibility of an Internet user being confused and deceived in believing that both the domain names belong to one common source and connection, although the two belong to two different concerns.

13. Counsel for the defendant also argued that the Internet users are sophisticated users and only literate people who are able to ascertain can approach the actual Internet site that they intend to visit. The said submission does not appear to have force for even if an individual is a sophisticated user of the Internet, he may be an unsophisticated consumer of information and such a person may find his/her way to the defendant Internet site which provides almost similar type of information as that of the plaintiff and thereby confusion could be created in the mind of the said person who intends to visit the Internet site of the plaintiff, but, in fact reaches the Internet site of the defendant.

14. It is also submitted that the defendant has been issuing a disclaimer. The said disclaimer being used by the defendants cannot eliminate the problem, for it was observed in the case of *Jews for Jesus Vs. Brodsky*; reported in 46 USPQ 2d 1652 that due to the nature of Internet use, defendant's appropriation of plaintiff's mark as a domain name and home page address cannot adequately be remedied by a disclaimer. It was also observed that considering the vastness of the Internet and its relatively recent availability to the general public, many Internet users are not sophisticated enough to distinguish between the subtle difference in the domain names of the parties. The ratio and principle laid down in the aforesaid decision equally apply to the facts of the present case with full force.

15. Counsel for the defendants also submitted that there is sufficient added matter, namely, addition of the word 'India' to distinguish its domain name from that of the plaintiff and in support of his submission, the learned counsel relied upon the decision in *Kaviraj Pandit Durga Dutt Sharma Vs. Navaratna Pharmaceutical Laboratories*; . In *Ruston and Hornby Ltd. Vs. Zamindara Engineering Co.*; reported in 1970 S.C.1649, it was held that if there be close resemblance between the two marks and they are deceptively similar to each other, the word 'India' added to one mark is of no consequence. In that case the two marks were 'Ruston' and 'Ruston India'. Besides the plaintiff itself is using regional names after Yahoo! like Yahoo.CA (for Canada) and Yahoo.FR (for France). Thus, there is every possibility of the Internet users to believe that Yahoo india is another one in the series of Yahoo marks/names and thereby there is every possibility of confusion being created and thereby preventing these users from reaching the Internet site of the plaintiff. The decision in *Vishnu das Trading Vs. Vizier Sultan*; reported in 1996 PTC 152 at 535 relied upon by the defendant deals with the rectification of registration of a trademark and thus may not be an appropriate case for the present case. The decisions relied upon by the counsel for the defendant are not applicable to the facts of the present case and have no application in the facts and circumstances of the present case as the services offered in the present case by the plaintiff and the defendant are identical since both of them provide Internet programs and on line information to users regarding various categories of applications like arts, humanities, employment, entertainment, etc.

16. The contention of the learned counsel for the defendant that the word 'Yahoo!' is a dictionary word and, therefore, cannot be appropriated as a domain name/trademark is also misplaced as there are number of such words being used by various companies as their trademarks. The said words although are dictionary words have acquired uniqueness and distinctiveness and are associated with the business of the concerned company and such words have come to receive maximum degree of protection by courts as was done also in the case of 'WHIRLPOOL'. In the said decision namely N.R. Dongre Vs. Whirlpool Corp.; reported in 1996 PTC (16), a Division Bench of this Court recognised the distinctiveness and uniqueness of the word 'WHIRLPOOL' which was subsequently upheld by the Supreme Court in its decision reported in 1996 PTC 583. 'WHIRLPOOL' is otherwise a dictionary word and was not registered in India as a trademark. The court considering the entire gamut of the case held that the reputation of the trademark 'WHIRLPOOL' in respect of washing machines has travelled across border to India and, therefore, although the respondents are not the registered proprietor of the 'WHIRLPOOL' in India in respect of washing machines can maintain action of passing off against the appellants in respect of the use of the same which has been registered in their favour in respect of the same goods. In the said decision, it was also held that registration of a trademark under the Act would be irrelevant in an action of passing off.

17. The defense as raised in the present suit by the defendants is, therefore, prima facie found to be without any merit. The counsel for the defendants during the course of his submissions submitted that the defendants have not been using or copying the contents of the programmes of the plaintiff and have no objection even if such an injunction is granted restraining the defendants from using or copying the contents of the programmes of the plaintiff. In my considered opinion and as discussed above, the plaintiff has been able to make out a prima facie case for grant of ad interim injunction in its favour and, therefore, an ad interim injunction is passed in favour of the plaintiff and against the defendants restraining the defendants their partners, servants and agents from operating any business or selling, offering for sale, advertising and/or in any manner dealing in service or goods on the Internet or otherwise under the trademark/domain name 'Yahooindia.com' or any other trademark/domain name which is identical with or deceptively similar to the plaintiff trademark 'Yahoo!' till the disposal of the suit. The defendants and all others acting on their behalf are further restrained from using and/or copying the contents of the programmes of the plaintiff under the domain name 'Yahoo.com'.

18. In terms of the aforesaid order, the application filed by the plaintiff seeking for injunction stands disposed of. It is, however, made clear that all opinions and views expressed in this order are my tentative and prima facie view and shall not be treated as the final opinion on the merit of the case.