

## Anand And Anand Advocates

# India

**The Indian courts have had to address many legal issues arising from the development of the Internet – from passing off to phishing, metatagging and jurisdictional matters**

The Internet dominates our life more than any other socio-economic phenomenon in the history of our civilization.

For individuals and corporations alike, it has opened up a world of opportunities for both legitimate and illegitimate activities. It is a giant copying machine and, therefore, it has the potential to devastate copyright owners. A single click to distribute and circulate content to thousands of recipients can cause immense damage at little or no cost to the sender. The sender's identity can remain concealed in the anonymity mesh of the Net so no effective action can be taken beyond freezing the infringing site.

This article examines how Indian law has tackled a variety of internet issues.

### Passing off

In the famous case of *Satyam Infoways v Sify Net Solutions*, the Supreme Court of India held that trademark law and principles are equally applicable to cases of infringement over the Internet.

In *Yahoo Inc v Akash Arora and Netlink Internet Services* (primarily a domain name case), the question arose before the Delhi High Court of whether the concept of passing off applied to the Internet without any reference to the Internet in trademark law. Justice MK Sharma laid down a standard which has been a guiding principle for internet cases – namely, he held that there must be a stricter standard applied to defendants for online infringement than in the physical world because:

- the potential of harm on the Internet is so high; and
- parties can remain anonymous.

In other words, the principles are the same, but the standard is stricter.

### Anonymity

In the *Himalaya Drug Case*, the defendant created a website which copied the entire database of the plaintiff, listing over 200 Ayurvedic drugs. The only contact

information which appeared on the infringing website was an email address: [sumit@democrat.com](mailto:sumit@democrat.com). In order to get the physical address of the website owner, the plaintiff added the internet service provider (ISP) as a party in its complaint. The ISP disclosed that the website was set up by an Italian individual named Luca Bianci. The plaintiff sued Bianci, but the matter proceeded *ex parte*. The plaintiff filed evidence on valuation of its database and the losses caused due to Bianci's misappropriation. The court issued a permanent injunction against Bianci, freezing his website and granting the plaintiff Rs1.5 million in damages. However, because Bianci had given a fictitious address, these damages were never recovered. Unfortunately, this appears to be the fate of most successful complaints made in internet cases, whether they concern the misappropriation of trademarks, trade names, copyrights or any other intellectual property.

### Phishing

In *NASSCOM v ABC Consultants*, the defendant ABC Consultants misused the name of India's largest software association for its headhunting activities, by extracting the curriculum vitae of various persons invited to a conference. The Delhi High Court responded swiftly, issuing a ruling within 21 days of the complaint being filed. The court held that phishing is actionable under Indian law on the basis of conventional torts, such as invasion of privacy, nuisance and negligence. The court granted Rs1.6 million in damages against ABC and these were paid in court.

### Metatagging

The ruling in *Tata Sons Limited v Bodacious Tatas* followed a decision by a World Intellectual Property Organization Arbitration and Mediation Centre panel ordering the transfer of a domain name that incorporated one of the most popular trademarks in India, TATA. The defendant, Bodacious Tatas, also used TATAS as a trademark and a metatag. The Delhi High Court further restrained Bodacious's use of TATA not only as a domain name, but also as a metatag.

### Framing

The reference case on framing is *National Geographic Company v The Geographic Company*, in which the court recognized framing as a tort and restrained the defendant, an Israeli tourism company, from framing.

### Spamming and privacy issues

Many cases concern the breach of privacy on the Internet, in particular with regard to the use of cookies and spyware.

In *Tata Sons Ltd v Kumar*, the Delhi High Court issued an order restraining Amit Kumar from causing transmission of unsolicited bulk emails to any user of the service of VSNL, India's leading telecommunications service provider. In the absence of anti-spamming legislation, the court granted protection under the tort of trespass and other traditional torts.

### Jurisdiction of the courts

Another interesting issue concerns the jurisdiction of courts in IP infringement cases over the Internet.

In *India TV v India Broadcast Live*, the Delhi High Court held that the court can exercise jurisdiction over the matter at issue where:

- there is a high level of interaction between the forum state and the website; and
- evidence indicates that the website targets internet users in the forum in question.

However, courts will not have jurisdiction over passive websites.

In *Banyan Tree v Murali*, the court rejected the *India TV* decision and referred four questions for consideration to a higher bench comprising two judges of the Delhi High Court. The reference was being argued at the time of writing. However, the answers are expected to settle the issue of internet jurisdiction.

The main question referred to the higher bench is the extent to which a passive website alone can give rise to territorial jurisdiction. If the website is an e-commerce website, it is generally acceptable to base personal jurisdiction on the said

website. The grey area concerns interactive websites; a certain type of interactivity is usually required to grant personal jurisdiction. The *Banyan Tree* court also requested a clarification as to the role of intention and of the effects caused by the defendants' infringing activities within a certain region.

#### ISP liability

Another issue is the liability of ISPs. Section 79 of the Information Technology Act 2000 provides a safe harbour for ISPs which either had no knowledge of infringing materials or exercised due diligence. The provision implies that, like the notice and take-down procedure of the US Digital Millennium Copyright Act (DMCA), these ISPs would remove infringing material brought to their attention.

The question is whether the DMCA and its notice and take-down procedure ought to apply to Indian law. In a host of cases, including *Super Cassettes Industries v YouTube*, the plaintiffs have alleged that the onus of ensuring non-infringement should be on whichever party has created a certain technology. If the technology is defective, then the defendant must bear the responsibility of ensuring non-infringement.

#### Source code infringement

In *Mattel Inc v RJ Softwares*, the Delhi High Court found in favour of Mattel Inc, the holder of international rights in the mark SCRABBLE for games. The court ordered the defendant, owned by brothers Rajat and Jayant Agarwalla, to stop using the marks SCRABBLE and SCRABULOUS in relation to an online version of the game as part of its source code and metatags.

#### Hyperlinking

In *Mattel*, the Delhi High Court also restrained RJ Softwares from hyperlinking. The court thus ordered the company to remove such infringing links from its website.

#### Conclusion

On the one hand, there are personal freedoms, liberty and human rights. On the other, there are duties and obligations towards IP rights owners, parties of repute and sovereign states. If a person sets up a website that gives him or her access to foreign markets, he or she must assume the risk and responsibility that goes with that opportunity. In trying to find a balance between these opposing forces, the courts may tend to favour the freedom argument. This may be because they identify more closely with the individual who cherishes the



**Pravin Anand**  
Managing Partner  
[pravin@anandandanand.com](mailto:pravin@anandandanand.com)

Pravin Anand has been a patent, trademark and copyright litigator since his admission to the Bar in India in 1979. His practice covers several areas of IP law, including mediation and advisory work. His name features in the *Who's Who Directory of Business Lawyers 2006*.

Mr Anand is a member of several international professional associations such as the Asian Patent Attorneys Association, the International Association for the Protection of Intellectual Property, the International Trademark Association (INTA) and the Licensing Executives Society. He is on the current board of directors of the INTA. He is also a panellist at the World Intellectual Property Organization's Arbitration and Mediation Centre.

He has been counsel in significant cases that have involved IP law in India, including the first case to recognize moral rights of an artist and the first case based on the principles of dilution. He was also counsel in the matter where an *Anton Piller* order was issued for the first time in India.

vast information and knowledge that internet access provides. The need of the hour is to sensitize our policy makers and judges to the damage that can be done to a business or reputation by a few clicks on the Internet and at times the impossibility of detecting the source. However, behind this 'invisible' force, which could be a film or a software pirate located anywhere in the world, is a visible intermediary: an ISP, a credit card company or a shipping company – all of whom make considerable profits from the counterfeiter's business. There is a need to change the paradigm and hold the intermediary responsible in a balanced way. **WTR**