

Bombay High Court Rediff Communication Limited vs Cyberbooth & Another on 22 April, 1999 Equivalent citations: 1999 (4) BomCR 278 Author: A Shah Bench: A Shah ORDER A.P. Shah, J. 1. Leave under Rules 147 and 148 of the Bombay High Court (Original Side) Rules, 1980 is granted to the plaintiffs to take out a Notice of Motion in terms of the draft Notice of Motion handed in. Leave to amend the plaint and the Notice of Motion in terms of the draft amendment. Mr. Chitnis for the defendants waives service. By consent, Notice of Motion is taken up for hearing. 2. This is an action in passing off. The plaintiffs have filed the present suit for a permanent injunction restraining the defendants from using the mark/domain name "RADIFF" or any other similar name so as to pass off or enable others to pass off their business or goods or services as for the business or goods or services of the plaintiffs. The plaintiffs are also seeking a permanent injunction restraining the defendants from using the mark "RADIFF" or any other word on mark either as part of their trade name or trading style which is deceptively similar to plaintiffs' trading style and/or "REDIFF" or using the get up, concept and lay out, etc., so as to pass off the defendants' product and/or services as those of the plaintiffs or in some way connected with the plaintiffs. The plaintiffs are further seeking an injunction against the defendants from using the literary or artistic work found on the plaintiffs' web page or infringing the defendants copyright thereon without the plaintiffs' licence. Along with the suit, the plaintiffs have taken out this Notice of Motion for interlocutory injunctions. 3. The plaintiffs, Rediff Communication Limited are an on line media company carrying on the business of communication and providing services through the internet since 6th January 1997. The plaintiffs submit that they are a group company of Rediffusion Dentsu Young and Rubicam Advertising Limited. The word "REDIFF" is comprised of the first six letters of the their group companies' corporate names and is associated with the plaintiffs and their group companies. The plaintiffs have on 8th February 1997 registered the domain name "REDIFF.COM", with Network Solutions, Inc. a company registered under the law relating to companies ("NSI"). The plaintiffs submit that they have a large turn over of Rs. 0.31 crores and Rs. 1.93 crores over the last two years, respectively. 4. The plaintiffs have alleged that in March 1999 they learnt that the defendants have got registered the domain name "RADIFF.COM" with the NSI on 31st January, 1999. According to the plaintiffs, the action of the defendants in registering the domain name "RADIFF" with NSI and establishing and broadcasting a web page on the Internet with the title "RADIFF ONLINE" is clearly intended cause members of the public to believe that the defendants are associated with the plaintiffs and/or part of the Rediffusion group with whom the words and mark "RADIFF" are exclusively associated. The plaintiffs submit that the defendants have adopted the word "RADIFF" as part of their trading style deliberately with a view to pass off their business services as that of the plaintiffs and to induce members of the public into believing that the defendants are associated with the plaintiffs and/or the Rediffusion group by so adopting and using the word "RADIFF" which is deceptively similar to "RADIFF" which is trading name and style of the plaintiffs. The plaintiffs submit that the adoption of the word

“RADIFF” which is deceptively similar to the plaintiffs trade name and style by the defendants is dishonest and has been done with the deliberate intention to pass off the defendants business, goods and services as those of the plaintiffs and thereby illegally trade upon the reputation of the plaintiffs. 5. In contesting the Motion, the defendants have filed affidavit of defendant No. 3. It is contended inter alia that the word “RADIFF” is coined by taking the first three letters of the word ‘radical’, the first letter of the word ‘information’, the first letter of the word ‘future’ and the first letter of the word ‘free’. It is contended that there is no likelihood of deception or confusion between “RADIFF” and “RADIFF”. The plaintiffs’ website is titled ‘Rediff on the Net’ whereas the defendants website is titled “RADIFF ONLINE”. There is no similarity between the two. The plaintiffs’ website is more in the nature of a ‘web newspaper’ and provides various services from news to shopping whereas the defendants website mainly provides ‘hyper text links’ to its advertisers, websites. Thus the ‘look and feel’ of the plaintiffs’ website is totally different from the defendants website. 6. It is further contended that the manner of watching for information on the Internet is such that there is no likelihood of deception or confusion between ‘www-rediff.com’ and ‘www-radiff.com’. It is contended that the user of the Internet can never connect to a website by mistake. Besides, the users of the computers are educated people and thus there is no possibility of any confusion being made by an Internet user in the two names. It is also contended that the word depicted on the website of the plaintiffs is not artistic or literary work within the meaning of the Copyright Act, 1957. Moreover there is no evidence about the alleged reputation in the domain name “Rediff. Therefore the plaintiffs are not entitled to any relief. 7. The controversy in the present case centers around the domain name on the Internet. Undoubtedly the Internet is one of the important features of the Information Revolution. It is increasingly used by commercial organisations to promote themselves and their product and in some cases to buy and sell. For these purposes they need a domain name identifying the computer which they are using. The domain name enable them to have an email address and a web site address. In the case of American Civil Liberties Union v. Reno, 929-F Supp. 824, 830, 845 (E. D. Pa 1996) Judge McKenna has explained the Internet address system, as follows: Each host computer providing internet services (“site”) has a unique Internet address. Users seeking to exchange digital information (electronic mail (“email”), computer programs, images, music) with a particular internet host require the host’s address in order to establish a connection. Hosts actually possess two fungible addresses: a numeric “I.P.” address such as 123, 456, 123. 12 and an alphanumeric “Domain name” such as microsoft.com, with greater mnemonic potential. . . Internet Domain names are similar to telephone number mnemonics, but they are of greater importance, since there is no satisfactory Internet equivalent to a telephone company white pages or directory assistance, and Domain names may be a valuable corporate asset, as it facilitates communication with a customer base. The uniqueness of Internet addresses is ensured by the registration services of the Internet Network Information Center (“InterNIC”), a collaborative project established by the National Science Foundation. I may hasten to add that it is the NSI which pro-

vides registration services of domain names under the name Internet Network Information Center (“Internic”). NSI registers names free on the basis of “first come first served”. NSI does not determine the legality of the domain name registration, or otherwise evaluate whether that registration or use may infringe upon the rights of a third party. Anyone can apply for the registration of a domain name and if the name is available, it is allotted to the applicant. 8. In *Marks & Spencer P.I.C. v. One in a Million*, reported in 1998 F.S.R. 265, it was held that any person who deliberately registers a domain name on account of its similarity to the name, brand name or trade mark 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 that decision that the name *marksandspencer* could not have 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 the value of the 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 stated 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. 9. In *Cardservice International Inc. v. McGee*, reported in 42 USPQ 2d 1850, it was held that the domain name serve 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 of 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 Cardservice 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. 10. In *Yahoo. Inc. v. Akash Arora*, reported in 1999(19) P.T.C. 201, the learned Single Judge of the Delhi High Court rejected the argument that the provisions of the Indian Trade Mark Act would not be attracted to the use of the domain trade name or domain name on the Internet. The learned Judge held 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 to be recognised for an action of passing off. The learned Judge held that the two marks/ domain names “Yahoo!” of the plaintiffs and “Yahooindia” of the defendants are almost similar excepting for the use of suffix “India” in the latter. The learned Judge also rejected the argument of the defendants 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 learned Judge observed that

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 different 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. 11. What emerges from these authorities is that the Internet domain names are of importance and can be a valuable corporate asset. A domain name is more than an Internet address and is entitled to the equal protection as trade mark. With the advancement and progress in the technology, the services rendered in the Internet site have 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 his services. In yahoo Inc. (supra) it was observed that 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. 12. The main bone of contention between the parties before me is whether the defendants by adopting the domain name “RADIFF” which is deceptively similar to plaintiffs’ mark/domain name ‘REDIFF’, have been passing off their services and goods as that of the plaintiffs. To that end, it would be appropriate to recapitulate some well established principles. The law relating to passing off is fairly well settled. The principle underlying the action is that no one 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. In the case of Erven Warnink v. Townend, reported in 1980 R.P.C. 31 which is known as Advocate’s case the essential characteristics which must be present in order to create a valid cause of action for passing off as stated by Lord Diplock are : “(1) mis-representation, (2) made by a person in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so...” 13. Lord Fraser of Tullybetton in the very same case expressed the requirements in a different form as follows: The plaintiff must show “(1) that his business consists of or includes selling in England a class of goods to which the particular trade name applies, (2) that the class of goods is clearly defined, and that in the minds of the public, or a section of the public in England, the trade name distinguishes that class from other similar goods: (3) that because of the reputation of the goods, there is goodwill attached to the name: (4) that he, the plaintiff, as a member of the class of those who sell the goods, is the owner of the goodwill in England which is of substantial value and (5) that he has suffered, or is really likely to suffer a substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached. These two statements of law complement one another. The essential constituents of the tort of passing

off are cumulative. 14. In *Aktiebloget Volvo v. Volvo Steels Ltd.*, 1998 P.T.C. (18) the Division Bench of this Court observed "...that the crux of the passing off action lies in actual or possible or probable deception. The plaintiffs necessarily has to establish reputation and goodwill. In quia timet action he must also show the probability of the plaintiffs suffering damage either in trade or to his goodwill and reputation. Deception may be of several kinds i.e. that the public may think that the goods manufactured by the defendants are in fact manufactured by the plaintiffs." In that case the Division Bench granted injunction restraining the defendants from using the word "Volvo" or any other deceptively similar word as part of their name or trade mark of the defendants so as to pass on the defendants goods or business as that of the plaintiffs. 15. Reference may be made to a decision of the Delhi High Court in *Montari Overseas v. Montari Industries Ltd.*, reported in 1996 P.T.C. 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 that 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. 16. In the matter of *Kirloskar Diesel Recon Pvt. Ltd. and another v. Kirloskar Proprietary Ltd. and others*, the learned Single Judge of this Court held that the very definition of 'trade mark' includes 'mark' and the very definition of 'mark' includes 'name' and as such, the term 'trade mark' in section 105(c) of the Act must, therefore, be considered to be a comprehensive term including within itself 'trade name' as also 'mark', 'business name' as also 'name' under which articles, goods, etc. are sold. The learned Judge observed that what is necessary is connection or nexus between the mark used in relation to the goods and the person claiming a right to use the same. While determining the question of jurisdiction, there is no warrant to draw a distinction between passing off action based on trade marks and other passing off actions. The Act covers all passing off action whether based on trade marks or marks or trade names or business names. In that case the learned Judge restrained the defendants from using the trade name "Kirloskar" for their companies. The learned Judge held that with the passage of time, law on requirement of common field of activity in a passing off action radically changed. He held that the real question in each case is whether there is as a result of mis- representation a real likelihood of confusion or deception of the public and consequent damage to the plaintiffs. 17. In the light of these established principles, let us consider the facts of the present case. The plaintiffs are carrying on their business of communication and providing services through the Internet. Amongst the services provided by the plaintiffs, the plaintiffs are publishing advertisement of their clients by setting up web pages for their clients and/or by publishing their clients advertisements on the plaintiffs web pages. The plaintiffs also provide services such as sale of cinema tickets of selected theatres in Bombay, make hotel bookings and selling books and other goods etc. The services of the plaintiffs under trade mark/domain name "REDIFF"

have been widely published. The turnover of the plaintiffs group companies is over Rs. 250 crores. The plaintiff company's individual turn over is also substantial. In the instant case both the plaintiffs and the defendant have common field of activity. They are operating on the website and providing information of similar nature. Both the plaintiffs and the defendants offer facility of sale of books, music cassettes and compact discs and flowers. Both offer a chat line and both presently offer a cricket opinion poll. There can be no doubt that the two marks/domain names. "RADIFF" of the plaintiffs and 'RADIFF' of the defendants are almost similar. When both domain names are considered it is clearly seen that two names being almost similar in nature there is every possibility of internet user being confused and deceived in believing that both domain names belong to one common source and connection although two belong to different persons. 18. In the affidavit-in-reply it is sought to be contended that the word "RADIFF" is derived from the four words viz., 'radical', 'information', 'future' and 'free'. I am afraid that the explanation appears to be completely false and unbelievable. It seems that this is devised only in an attempt to answer the plaintiffs claim. To my mind, the explanation given by the defendants makes no sense inasmuch as the defendants want me to believe that from the alleged phrase "radical" information, future, free, the word "RADIFF" was coined. I am prima facie satisfied that the only object in adopting the domain name "RADIFF" was to trade upon the reputation of the plaintiffs' domain name. The argument that the field of activity is different is also without any substance. Since the field of activity of plaintiff and the defendant is clearly similar and overlapping. 19. Once the intention to deceive is established, the Court will not make further enquiry about likelihood of confusion. If it is found that man's object in doing that which he did was to deceive that he had an intention to deceive the Court will be very much more ready to infer that his object has been achieved, if the facts tend to show that, that is the case and to say that his intention to deceive ripening into deceit gives ground for an injunction. Lord Devlin in *Parker Knoll v. Knoll International*, 1962 R.P.C. 265 at 290 observed: "While proof of intent to deceive is unnecessary to the proof of falsity of a representation, it is not immaterial. The materiality is said to lie in the fact that where the object is to deceive, 'the Court will be very much more ready to infer that its object has been achieved'. That is the way it is put in *Buckley L. J.*'s second proposition. It is not easy to see why the Defendant's own estimate of the effect of his representation should be worth more than anybody else's. It seems probable that the rule is steeped in history rather than logic and that it is the attenuated remains of the original doctrine, which prevailed until the intervention of equity, that fraud was an essential element in the tort. It is wholesome rule which I for one have no wish to disturb." 20. It is urged by the defendants that there is no likelihood of any deception or confusion between "www, radiff com" and "www, radiff, com". During the course of argument, the learned Counsel for the defendants elaborately explained the manner in which the user normally seeks an access to a particular website. It is stated that users seeking to access to a particular website may either directly type out the U.R.L of the website they wish to access and connect directly to the host computer or

the user may access search engines such as Yahoo, Infoseek, Altavista, Lycos, etc. and post a query and on search results being provided, connect to the host computer. All the websites which are shown in the search results are “hyper text linked’ i.e. by clicking the mouse on a particular site, the user is directly taken to that site. It is stated that the”browsers, have a memory which helps them store the U.R.L.S of the website visited by the user of the software package. Therefore, according to defendants, a user of the internet can never connect to a website by mistake. Moreover, the users of the internet are persons skilled in the use of computers and are educated people. Even if a user of the internet were to post a query for a particular website on any search engine, he will be able to easily distinguish one website from another. 21. There is no merit in this contention. In the first place, it is an admitted position that the websites are widely publicised in the newspapers and magazines, etc. Thus there is always a possibility of the first user accessing the defendants’ website believing it to be the plaintiffs’ website because of the close similarity in the domain names. It is pointed out by the plaintiffs that the potential users, and existing users, talk about such website, products and services, and it is entirely possible and likely that on a potential user being told to access the site”REDIFF’ he may get misled on accessing the website “RADIFF’ when he is looking for the website REDIFF. Moreover, a first time visitor to website cannot possibly distinguish one website from another website which also he has not visited. Besides this, as a result of the adoption of the domain name”RADIFF’, the public are likely to associate the defendants’ domain name with the plaintiffs and/or as part of the Rediffusion group. It is pertinent to note that from May 1998 to January 1999, the same webpage and services were offered by the defendants on the website “INDIAN SERVICE. COM”. They continue even now to have an identical webpage and services on “INDIAN SERVICE COM”. Apparently it is seen that the defendants have adopted the domain name RADIFF with the intention to trade on the plaintiffs’ reputation. 22. In view of the foregoing discussion, Notice of Motion is made absolute in terms of prayer clauses (a) (i) to (iii) and (v) to (viii). 23. On the request made by Counsel for defendants, the operation of this order is stayed for a period of three weeks from today. Issuance of certified copy is expedited. 24. Motion made absolute.