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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
Reserved on: 16th September, 2021
Pronounced on: 18th April, 2022

+ CS(COMM) 176/2021, LA. 5407/2021

SNAPDEAL PRIVATE LIMITED Plaintiff
Through: Ms. Shwetasree Majumder, Ms.
Tanya Varma & Ms. Devyani Nath, Advs.

versus

GODADDYCOM LLC AND ORS. Defendants
Through: Dr. Birendra Saraf, Sr. Adv.
with Mr. Gowree Gokhale and Mr. Alipak
Banerjee, Advs. for Defendant No. 1
Mr. Moazzam Khan, Ms. Shweta Sahu, Ms.
Apama Gaur & Ms. Aparimita Pratap, Advs.
for D2 to 4

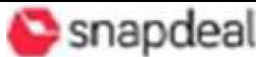
CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR




J U D G M E N T

% **18.04.2022**

LA. 5407/2021 in CS(COMM) 176/2021

1. The plaintiff is the registered proprietor of the following trade marks:

Trademark	Registration No.	Class	Registration Date	Status
SNAP DEAL	1950285	35, 38	15/04/2010	Registered
SNAP DEAL	1950286	35, 38	15/04/2010	Registered
SNAPDEAL.COM	2102124	35, 38	18/02/2011	Registered
SNAPDEAL	2126759	39	07/04/2011	Registered
snapdeal	3203510	35	05/03/2016	Registered
	3525400	35	14/04/2017	Registered

	3525401	35	14/04/2017	Registered
	3525407	35	14/04/2017	Registered
	3191889	35	22/02/2016	Registered

2. The plaintiff refers to these marks, collectively, as the “SNAPDEAL trade marks” and I shall use the same expression.

3. Defendants 1 to 32 in this plaint are Domain Name Registrars (“DNRs”, hereinafter), who provide domain names for parties who may seek to register their respective websites under such domain names. Defendant 33 is the Department of Telecommunications and Defendant 34 is the National Internet Exchange of India (NIXI).

4. The plaint alleges that various third parties, with whom the plaintiff has no connection or association whatsoever, are registering domain names which include the “SNAPDEAL” word/thread. These domain names, it is alleged, are infringing in nature, as the plaintiff is the registered proprietor of the “SNAPDEAL” trade mark. It is also alleged that such third parties are, through the websites operating under the said domain names, carrying out illegal activities, such as providing lucky draws etc. and are also, in certain cases, posing as customer care centres for the plaintiff’s products. All this, it is submitted, is taking place without the plaintiff’s license or authorization.

5. I may note, at this juncture, that none of the said registrants have been impleaded as a party in this plaint. Accordingly, the Court

need not concern itself, in the present case, with the allegedly illegal activities of such registrants. It is obviously impermissible for the Court to return any qualitative finding in that regard, without the registrants themselves being impleaded in the proceedings.

6. The relief sought by the plaintiff is solely against the DNRs.

7. According to the plaintiff, by offering, for registration, domain names which include the thread “SNAPDEAL”, the domain registrants are facilitating infringement of the plaintiff’s registered mark and are also themselves infringers within the meaning of Sections 28¹ and 29² of the Trade Marks Act, 1999 (“the Trade Marks Act”).

¹ 28. **Rights conferred by registration.** –

(1) Subject to the other provisions of this Act, the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark in relation to the goods or services in respect of which the trade mark is registered and to obtain relief in respect of infringement of the trade mark in the manner provided by this Act.

(2) The exclusive right to the use of a trade mark given under sub-section (1) shall be subject to any conditions and limitations to which the registration is subject.

(3) Where two or more persons are registered proprietors of trade marks, which are identical with or nearly resemble each other, the exclusive right to the use of any of those trade marks shall not (except so far as their respective rights are subject to any conditions or limitations entered on the register) be deemed to have been acquired by any one of those persons as against any other of those persons merely by registration of the trade marks but each of those persons has otherwise the same rights as against other persons (not being registered users using by way of permitted use) as he would have if he were the sole registered proprietor.

² 29. **Infringement of registered trade marks.** –

(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of –

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark,

is likely to cause confusion on the part of the public, or which is likely to have an association with the registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the court shall presume that it is likely to cause confusion on the part of the public.

8. This, submits the plaintiff, has provoked the plaintiff to approach this Court on multiple occasions, *inter alia*, by way of CS (COMM) 1214/2018 (*Snapdeal Pvt. Ltd. v. Aadi Sins*) and CS (COMM) 621/2019 (*Snapdeal Pvt. Ltd. v. Grievance Officer Of Twitter India Twitter International Company*) and CS (COMM) 264/2020 (*Snapdeal Pvt. Ltd. v. snapdealluckydraws.org.in*).

9. In *Snapdeal Pvt. Ltd. v. Aadi Sins*, this Court, *vide* order dated 1st November, 2018, injuncted registrants using domain names including the thread “SNAPDEAL” from infringing the registered SNAPDEAL marks of the plaintiff. The concerned DNRs were also directed to suspend such fraudulent domain names and banks were

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which –

- (a) is identical with or similar to the registered trade mark; and
- (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
- (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he –

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;
- (c) imports or exports goods under the mark; or
- (d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

(8) A registered trade mark is infringed by any advertising of that trade mark if such advertising –

- (a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters; or
- (b) is detrimental to its distinctive character; or
- (c) is against the reputation of the trade mark.

(9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly.

directed to freeze the accounts in which the websites operating under the said domain names directed persons to deposit monies. This injunction was, *vide* order dated 8th January, 2019, extended to further domain names found to be indulging in similar activities, on an application being moved by the plaintiff.

10. In *Snapdeal Pvt. Ltd. v. Grievance Officer Of Twitter India Twitter International Company*, this Court, *vide* order dated 27th November, 2019, directed the defendant Twitter to block over 1200 fraudulent URLs/links which infringed the plaintiff's trade mark. The said litigation is still pending.

11. In *Snapdeal Pvt. Ltd. v. snapdealluckydraws.org.in*, this Court, *vide* order dated 20th July, 2020, granted an injunction against 50 rogue websites from carrying out activities under the plaintiff's SNAPDEAL trade mark or any trade mark deceptively similar thereto. The domain name registrants, including the Defendant 1-GoDaddy.com was directed to suspend/block the domain names registered with them. The Department of Telecommunication (DoT) was also directed to issue notifications to Internet Service Providers (ISPs), directing them to block access to such rogue websites. This order was, subsequently extended to cover 40 more rogue websites, on an application being moved by the plaintiff, on 4th August, 2020.

12. The basic case that the plaintiff seeks to make out is that such rogue websites keep mushrooming, and that it is impracticable for the plaintiff to approach this Court repeatedly on coming to know of such

websites. In each case, it is submitted that, there are hundreds of websites which are found to be registered under domain names that infringe the plaintiff's registered "SNAPDEAL" marks.

13. It is submitted that Defendants 1 to 32 have not only registered infringing domain names containing the "SNAPDEAL" thread, but are also continuing to offer, to persons who log on to their websites, similarly infringing domain names.

14. The plaint further alleges that, in violation of Clause 3.3.1 of the agreement which every DNR has to execute with the ICANN, as well as Clauses 4.3, 4.4.3 and 6.1 of the policy of the NIXI with whom the DNRs are required to be registered and whose policy is binding on them, Defendants 1 to 32 are masking the identity of the domain name registrants and offering privacy services, which is entirely illegal.

15. Predicated on these facts and allegations, the plaintiff has, by the present plaint, *inter alia*, sought, (i) an order and decree directing Defendant No. 34 to cancel the domain registrations of domain names bearing the trademark SNAPDEAL, enlisted in Document A, and other domain names that may subsequently be notified by the Plaintiff from time to time, (ii) an order and decree directing Defendant Nos. 1 to 32 and all others acting through them or on their behalf to refrain from offering or registering any new domain names containing the plaintiff's trademark SNAPDEAL in favour of third parties, thus amounting to infringement of the plaintiff's registered trademark, passing off and unfair competition, (iii) an order and decree directing Defendant 33 (DoT) to issue a notification calling upon the various

internet and telecom service providers registered under it to refrain from registering domain names containing the trademark SNAPDEAL or such other websites that may subsequently be notified by the plaintiff, (iv) an order and decree directing Defendant 34 (NIXI) to prohibit the domain registrars registered with them from offering of services of masking the particulars of domain registrants and (iv) an order declaring the Plaintiff's trademark SNAPDEAL as a well-known mark as defined under Section 2(zg) of the Trademarks Act, 1999.

16. With the plaint, IA 5407/2021, under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 (CPC) has also been filed, seeking temporary injunction in the following terms:

“In the light of the foregoing, it is respectfully prayed that this Hon’ble Court may, during the pendency of the present suit, be pleased to issue:

(a) An order for temporary injunction restraining the Defendant Nos. 1-32 and all others acting through them or on their behalf from suspending all registrations listed in Document A and to reveal the name and contact particulars of the registrants of the same, and from offering any domain names which incorporate the Plaintiff's SNAPDEAL trademarks listed in paragraph 10 of the plaint thus amounting to infringement of the Plaintiff's registered trademark, passing off and unfair competition,;

(b) An order directing Defendant No. 33 (DoT) to issue a notification calling upon the various internet and telecom service providers registered under it to refrain from registering domain names containing the trademark SNAPDEAL or such other websites that may subsequently be notified by the Plaintiff;

(c) An order directing Defendant No. 34 (NIXI) to ensure that domain locks are put on all the domains

listed in Document A during the pendency of the present proceedings and, and to ask the domain registrars accredited with it to show cause as to why their registrar accreditation should not be cancelled in view of their services of masking the particulars of domain registrants despite contractual stipulations to the contrary.”

17. Learned Counsel have been heard on the said aforesaid IA 5407/2021.

18. Defendants 5 to 32 have not chosen to oppose the plaint or the application. They have not filed any written statement in response to the plaint or any response to the application. Nor have they entered any appearance through any counsel or in person before the Court.

19. The present plaint has essentially been opposed by the Defendants 1 to 4. The defendants do not oppose prayer (a) to the extent it seeks a direction to the defendants to suspend the registrations enlisted in Document A, or to reveal, to the plaintiff, the details of the registrants. They, however, do oppose prayer (a) to the extent it seeks an injunction against the defendants “offering any domain names which incorporate the Plaintiff’s SNAPDEAL trademarks listed in paragraph 10 of the plaint”.

20. I have heard Ms. Swetashree Majumdar, learned Counsel for the plaintiff, Dr. Birendra Saraf, learned Senior Counsel for the Defendants 1 and Mr. Moazzim Khan learned Counsel for Defendant 2 to 4, at considerable length over several dates, on the issue of whether the above prayer, of the plaintiff, can be granted.

Rival contentions

21. Ms. Majumdar submits that, by offering domain names containing the “SNAPDEAL” thread, the defendants are facilitating infringement of the plaintiff’s registered SNAPDEAL marks, as any domain name containing the “SNAPDEAL” thread would *ex facie* be infringing in nature. This, it is pointed out, is clear from the orders that this Court has, from time to time, been passing, on complaints and applications being filed by the plaintiff. It is eminently in the interests of justice, therefore, submits Ms. Majumdar, that an omnibus injunction is issued to the domain name registrants not to make available, for registration, any domain name which has, in it, the thread “SNAPDEAL”. Ms. Majumdar clarifies that she is not seeking an injunction against the use of one or the other part of the entire “SNAPDEAL” mark. For example, she submits that she is not seeking a restraint against registration of a domain name which uses “SNAP” and “DEAL” separately, but is aggrieved only where “SNAPDEAL” is used as one word as part of the domain name.

22. The submissions at the bar principally related to the activities of Defendant 1, who mainly contested the application. Ms. Majumdar submits that, if an aspiring registrant logs on to the website of Defendant 1, and seeks to register “www.snapdeal.com”, he would be informed that the said domain name is no longer available for registration, and would be offered alternative domain names which are proximate to “www.snapdeal.com”. All such alternative domain

names, to the extent they include the “SNAPDEAL” thread, she submits, would be infringing the plaintiff’s registered mark. Sections 28 and 29 of the Trade Marks Act, 1999 (“the Trade Marks Act”), submits Ms. Majumdar, when applied to the facts of the present case, would completely proscribe any registration of a domain name having “SNAPDEAL” as a part. Inasmuch as the DNR charges a price for offering such alternate domain names, and earns a profit thereby, Ms. Majumdar submits that they use the plaintiff’s registered mark in the course of trade, within the meaning of Sections 28 and 29 of the Trade Marks Act and, therefore, are active participants and beneficiaries in the tort of active infringement.

23. Besides, she submits, the website of Defendant 1 provides brokerage services, under which Defendant 1 offers to act as a broker to obtain marks which the aspiring registrar desires, for a price. This, she submits, even extends to the www.snapdeal.com mark, as the website of Defendant 1 offers to attempt to secure the said mark as well, for a higher price. In this context, she points out that a higher price is charged by Defendant 1 for marks including the “SNAPDEAL” thread, given the goodwill that the SNAPDEAL marks has amassed over a period of time. Such capitalization on the goodwill earned by the plaintiff, submits Ms. Majumdar, amounts to active infringement of the plaintiff’s registered trade mark, which deserves to be injuncted.

24. Providing of brokerage services, she submits, would amount to a representation, by Defendant 1, that it is an agent of, or is otherwise

associated with, the plaintiff, whereas no such authorization has been granted by the plaintiff to Defendant 1. She submits that, therefore, Defendant 1, as an active infringer, profits by the act of infringement, in clear violation of Sections 28 and 29 of the Trade Marks Act, and deserves to be enjoined.

25. The plaintiff, therefore, seeks an injunction, against offering, by the DNRs, to any aspiring registrant, of any domain name containing the “SNAPDEAL” thread. The plaintiff is, therefore, according to her, in the nature of a *quia timet* action. It is stated, in the written submissions filed by Ms. Majumdar, that “the established jurisprudence in India categorically provides for granting injunction in respect of domain names that wholly incorporate a registered trade mark, without any territorial fetters”. For this proposition, reliance has been placed on the judgment of the Supreme Court in *Satyam Infoway Ltd. v. Sifynet Solutions Pvt. Ltd.*³

26. Inasmuch as the alternate domain names, which are made available to an aspiring registrant, are thrown up on the website of Defendant 1 registrars, on the basis of individual algorithms devised by each DNR, she submits that the DNRs cannot seek to contend that it is not possible for them to comply with any injunction, that the court may grant, restraining them from making available domain names containing any particular thread or words, including “SNAPDEAL”. She points out, in this context, that, if one logs on to the website of Defendant 1, one finds that the thread “GoDaddy”, which is the

³ AIR 2004 SC 3540

registered mark of Defendant 1, is completely blocked and unavailable for registration, either by itself or in combination with any other letters, numbers etc. As such, having blocked access to domain names containing “GoDaddy”, it is submitted by Ms. Majumdar that Defendant 1 cannot seek to contend that it is not possible for it to ensure that domain names containing “SNAPDEAL” would not be made available for registration to an aspiring registrant. She submits that the injunction that she seeks is not against existing domain names which contain “SNAPDEAL”, but only an *in futuro* injunction, by way of a *quia timet* action as already noted hereinabove. What she seeks, therefore, is that, hereafter, the DNRs should not make available, to any aspiring registrant, any domain name which includes “SNAPDEAL” as a part thereof.

27. Ms. Majumdar contradistinguishes a case such as this with e-commerce websites, as such an analogy was sought to be drawn by learned Counsel for the defendants. She submits that, unlike e-commerce websites, which offer alternatives created by others, the alternatives which are thrown up on the websites of the DNRs are on the basis of algorithms created by the DNRs themselves. The two situations cannot, therefore, according to her, be compared or analogized.

28. In granting the relief sought by her client, Ms. Majumdar submits that no right, either of the DNRs, or of any aspiring registrants, would be affected. She points out that no aspiring

registrant has a right to registration of a domain name containing “SNAPDEAL”. As such, not being provided access to domain names containing the “SNAPDEAL” thread does not, in her submission, violate the right of any aspiring domain name registrant. If a particular domain name registrant is insistent on registering a domain name containing any particular thread or word or words and is unable to find any such domain name on the website of one DNR, it would always be open to such registrant to try at the website of another DNR.

29. Nor, she submits, would grant of the reliefs sought by her violate any right of the DNRs, as no DNR can claim an absolute right to be allowed to be provide, to any aspiring registrant, domain name containing “SNAPDEAL”.

30. Ms. Majumdar also seeks to allay the apprehension expressed by learned Counsel for the defendants, that grant of the relief as sought in the plaint, would require the defendants to adjudicate on whether the domain names available for registration are, or are not, infringing in nature. She submits that no occasion for any such adjudication would arise, were the court to, as prayed for by her, injunct the defendants from making available, to any aspiring registrant, *any* domain name containing “SNAPDEAL”. If such an order is passed, Ms. Majumdar submits that the DNRs would only have to ensure that, if someone were to log on to their websites, no domain name, containing “SNAPDEAL” in any form or associated with any other letter, number or words, would be made available to such registrant.

31. Ms. Majumdar has also submitted that the DNRs are not “intermediaries” within the meaning of Section 2(1)(w) of the Information Technology Act, 2000, which defines the expression “intermediary” thus:

“(w) “intermediary”, with respect to any particular electronic records, means any person who on behalf of another person receives, stores or transmits that record or provides any service with respect to that record and includes telecom service providers, network service providers, internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online-market places and cyber cafes.”

32. She submits that an intermediary is meant to be merely a conduit between the registrant and the registry of domain names. An entity such as Defendant 1, who provides, for personal profit, alternative domain names, including domain names which infringe registered marks of others cannot, in her submission, regard itself as an “intermediary”. Nor she submits that can such an entity seek to avail the benefit of Section 79 of the IT Act, 2000, which reads as under:

“79. Exemption from liability of intermediary in certain cases. –

(1) Notwithstanding anything contained in any law for the time being in force but subject to the provisions of sub-sections (2) and (3), an intermediary shall not be liable for any third party information, data, or communication link made available or hosted by him.

(2) The provisions of sub-section (1) shall apply if –

(a) the function of the intermediary is limited to providing access to a communication system

over which information made available by third parties is transmitted or temporarily stored or hosted; or

(b) the intermediary does not –
(i) initiate the transmission,
(ii) select the receiver of the transmission, and
(iii) select or modify the information contained in the transmission;

(c) the intermediary observes due diligence while discharging his duties under this Act and also observes such other guidelines as the Central Government may prescribe in this behalf.

(3) The provisions of sub-section (1) shall not apply if –

(a) the intermediary has conspired or abetted or aided or induced, whether by threats or promise or otherwise in the commission of the unlawful act;

(b) upon receiving actual knowledge, or on being notified by the appropriate Government or its agency that any information, data or communication link residing in or connected to a computer resource controlled by the intermediary is being used to commit the unlawful act, the intermediary fails to expeditiously remove or disable access to that material on that resource without vitiating the evidence in any manner.

Explanation.—For the purposes of this section, the expression “third party information” means any information dealt with by an intermediary in his capacity as an intermediary.”

33. She submits that the benefit of Section 79 would not be available for more than one reason. In the first place, she submits that

Defendants 1 to 37 are not intermediaries. Assuming, *arguendo*, that they are, they would fall within the categories of cases statutorily excepted in Section 79. The infringing activities of the DNRs, she points out, are relatable not to their activities as conduits between the registrants and the registry, but with respect to the value added services provided by them which include, providing alternate domain names to a registrant, brokerage services etc. She emphasizes that providing of alternate domain names and brokerage services are not envisaged, statutorily, as functions of an intermediary, under the IT Act, 2000.

34. To an objection, taken by the respondents, to the effect that the plaintiff had impleaded only Defendant 1, whereas there were several other DNRs from whom an aspiring registrant could register domain names which included, as a part thereof, “SNAPDEAL”, Ms. Majumder submits that there is no mandate, in law, that the plaintiff must sue every infringer. It is a call that is entirely open to the plaintiff to take, as to the parties against which it seeks to proceed, for which purposes Ms. Majumder relies on the judgment of *Dr. Reddy Laboratories v. Reddy Pharmaceuticals Ltd.*⁴

35. Responding to the submissions of Ms. Majumder, Mr. Moazzam Khan for Defendant 1 and Dr. Saraf for Defendants 2 to 4 emphatically contend that the DNRs are, indeed, “intermediaries”, within the meaning of Section 2(1)(w) of the IT Act, 2000, with respect to services of domain name registration provided by them.

⁴ 113 (2004) DLT 363

They submit that, as required by the said definition, they do not select the receiver of the transmission, i.e., the relevant registry or select or modify the information contained in the transmission. They, thereby, become “intermediaries” as defined in the said clause. *Per sequitur*, according to learned Counsel, the DNRs are also entitled to the “safe harbour” provision contained in Section 79. Even assuming, *arguendo*, that they come within the categories of cases excepted in Section 79, Mr. Khan and Dr. Saraf submit that the DNRs, nonetheless, continue to remain “intermediaries” within the meaning of Section 2(1)(w) of the IT Act. All that the DNRs do, it is submitted, is providing of a platform for registration and exchange of information between registrants and registries, which is essentially what an intermediary does. They have referred in this context, to Clauses 1.17 of the Registrar Accreditation Agreement with ICANN and Clauses 1.10 and 6.2 of the Registrar Accreditation Agreement with NIXI and Paras 4, 5, 7 and 10 of the Beginners Guide to Domain Names issued by ICANN, all of which have been placed on record.

36. In any event, relying on *Myspace Inc. vs. Super Cassettes Industries Ltd.*⁵, it is sought to be contended that the issue of whether the DNRs are intermediaries and as to whether they are entitled to safe harbour under Section 79, cannot be decided at the Order XXXIX stage, as it requires leading of evidence and a trial. Besides, they point out, there is no prayer in the plaint for a declaration that Defendants 1

⁵ 236 (2017) DLT 478 (DB)

to 32, are not intermediaries, for which purpose they rely on *Amazon Seller Services Pvt. Ltd. vs. Amway India Enterprises Pvt. Ltd.*⁶.

37. Learned Counsel further submits that domain names are not linked to specific DNRs. Available domain names, they submit, are sourced from the Domain Name Registry. They are not created by individual DNRs. They are, in fact, freely tradable between DNRs. As such, it is submitted that a DNR cannot be held liable for having created a domain which is alleged to be infringing in nature.

38. The obligation to ensure that, in registering a website under a particular domain name, the domain name is not infringing in nature, they submit, is on the domain name registrant under Rule 3(d) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, (“the 2021 Rules”). Even under the agreement between the Domain Name Registration Agreement (DNRA) between the registrant and Defendant 1, it is submitted that Clause 8 requires the registrants to represent, to Defendant 1, that the registrations sought by them is not infringing in nature. No allegation of infringement, therefore, they submit, can be laid at the door of the DNRs.

39. While accepting and acknowledging, in its written submissions that, “if a certain domain name is unavailable, the automated system developed by each of the Domain Name Registrars, throws up options that are similar to the domain names selected by the registrant for

⁶ (2020) 267 DLT 228 (DB)

consideration, which are available with the registries of (*sic* with) which such Domain Name Registrar is accredited”, Defendant 1 submits, nonetheless, that there is no illegality in providing such value added services and that providing such services cannot detract from the character of Defendant 1 as an “intermediary” as defined in Section 2(1)(w) of the IT Act, or disentitle it to the protection accorded by Section 79.

40. Apropos providing of brokerage services, it is pointed out, in the first instance, that there is no allegation, in this regard, to be found in the plaint filed by the plaintiff. That apart, it is submitted that brokerage services are only intended to assist a prospective registrant to know if a pre-registered domain name is available for transfer by the person who registered it. For that purpose, it is submitted that the DNRs act as conduits between the prospective registrant and the proprietor of the domain names.

41. Brokerage services, Defendant 1 contends, are merely post registration value added services. Intermediaries, they submit, may be either passive or active as held in *Amazon Seller Service*⁶.

42. Learned Counsel further submit that intermediaries are not required to pre-filter the content made available by them, for which they have relied on *Myspace*⁵ and *Kent RO Systems Ltd. v. Amit Kotak*⁷. Nor is there any obligation on an intermediary to monitor the

⁷ 240 (2017) DLT 3

content or pre-filter the domain names which would be made available for registration to a prospective registrant who logs on to its website.

43. DNRs, it is submitted, cannot adjudicate on whether any particular domain name is or is not infringing. Learned Counsel emphatically contend that, therefore, it is not possible for a DNR to be enjoined from providing, *in futuro*, or for all times to come, any domain name which contains a particular word or a particular thread. If the domain name thus offered for registration is infringing, it would be for the proprietor of the domain names to sue for infringement *qua* that particular domain name. Infringement actions, they submit, are domain name specific.

44. Learned Counsel for the DNRs further submit that the plaintiff cannot claim a global monopoly over every domain name containing the word “SNAPDEAL”. They submit that it is quite possible that a domain name may contain the thread/word “SNAPDEAL” and, nonetheless, not be infringing in nature. A global injunction, covering all goods and services from registering themselves under domain names which include “SNAPDEAL”, they submit, cannot legally be granted. In this context, they point out that in the English language, there are only approximately 171146 words whereas even in 2016 alone, worldwide, 3.9 crores trademarks were registered. If, therefore, the plaintiff’s plea is to be granted, they submit that most, if not all, words known to the English language would be blocked, if not once, several times over, and it would become impossible for people to register trademarks.

45. Learned Counsel for DNRs have further submitted that mere registration of a domain name cannot be regarded as infringement of a trademark, unless the domain name is in active use. The DNRs play no part in the use of the domain names; ergo, they submit, they cannot be held liable for infringement or abetment of infringement. They further submit that there is no averment, in the plaint, that the DNRs are infringing the registered marks of the plaintiff in the course of their trade in relation to goods or services. Any such allegation, they submit can be laid, at best, at the doors of the specified registrants. In this context, they draw attention to the fact that, even as per the averments in the plaint, most of the allegedly infringing domain names are inactive. No *quia timet* action could be laid in such circumstances, especially as the plaintiff has not demonstrated any foreseeable or imminent injury that it is likely to face.

46. Learned Counsel for DNRs further submit that the process of providing alternate options to a prospective registrants, who seeks to register a domain name which is already “taken”, is entirely automated in nature.

47. They place reliance on the decision in *Tata Sky Ltd. vs. NIXI*⁸, in which it is contended that a similar relief was sought in similar circumstances but was denied. *Satyam Infoway*³, they submit, related to existing allegedly infringing domain names and did not relate to an

⁸ (2019) 259 DLT 468

in futuro injunction, in respect of domain names which had neither been made available for registration nor registered.

48. So far as already existing allegedly infringing domain names are concerned, learned Counsel for the DNRs submit that they have always maintained that they are willing to suspend any such infringing domain on the Court so directing. It would, however, be for the plaintiff to individually sue the registrants regarding any such infringing domain names. Reiterating that every domain name which includes “SNAPDEAL” cannot, even before its registration is sought or granted, be treated as infringing, learned Counsel for the DNRs submit that there is no shortcut available in such cases. They rely, for this purpose, on the orders passed by me in *Star India v. Y1.mylivecricket.biz*⁹ and *Star India v. Yodesiserial.su*¹⁰.

49. Learned Counsel for the DNRs further submit that there are, apart from the 32 DNRs identified and impleaded in this case, several hundreds of other DNRs from whom an aspiring and prospective registrant could register domain name which include “SNAPDEAL”. As such, grant of injunction as sought in the plaint would not result in any substantial relief to the plaintiff. They submit that the plaint is bad for non-joinder of other such DNRs. Equally, it is also bad for non-joinder of the registrants who would be entitled to register the allegedly infringing domain names.

⁹ CS(COMM) 151 of 2021, dated 19th April, 2021

¹⁰ CS(COMM) 353 of 2021, dated 09th August, 2021

50. Learned Counsel further submits that, in offering brokerage or privacy services, no illegality is committed by them. Privacy services are offered by Defendant 1 through Domains by Proxy, in compliance with applicable privacy protection laws and is intended to protect the personal information of customers from being disclosed on a public platform. The plaintiff itself, submitted has itself availed such privacy services from the DNRs.

51. For these reasons, learned Counsel for DNRs submit that no case, for grant of injunction as sought in the plaint, exists.

Analysis

Issues

52. The rival contentions give rise to the following issues, for consideration and decision:

(i) Are the DNRs “intermediaries” within the meaning of Section 2(1)(w) of the IT Act? Is this issue outside the scope of the present proceedings, for want of any prayer, in the plaint, for a declaration that the DNRs are not “intermediaries”?

(ii) Is the providing of brokerage services, by the DNRs, violative of the IT Act or otherwise illegal? The DNRs contend that these are merely “value added services”, which are not prohibited by the IT Act or otherwise and that DNRs may be active or passive.

(iii) Does providing of domain names containing ‘SNAPDEAL’ violate the trademark rights of the plaintiff? How meritorious is the contention of the DNRs that, in doing so, they do not infringe the plaintiff’s trademark rights within the meaning of Sections 28 and 29 of the Trade Marks Act, which requires “actual use” of the trade mark, for infringement to result? The DNRs contend that infringement could be alleged only by the registrant who registers a domain name containing ‘SNAPDEAL’, and not by the DNRs. How far does Rule 3(d) of the 2021 IT Rules support the submission? How meritorious is the contention of the DNRs that they are not required, in law, to pre-filter the domain names which would be available, from their website, to an aspiring registrant and that, therefore, they cannot be held liable for infringement or abetment of infringement?

(iv) Is providing of privacy services, by the DNRs, illegal?

(v) Are the DNRs entitled to “safe harbour” under Section 79 of the IT Act? Is this aspect outside the purview of *prima facie* consideration by the Court at the Order XXXIX stage?

(vi) Is it not technologically feasible for the DNRs to ensure that aspiring registrants, who logged onto the websites of the DNRs, are not provided options which contain a particular thread or word? How meritorious is the contention that the DNRs cannot vouchsafe for this, as the process of sourcing available domain names from the Domain Name Registry is

automated? In this context, the plaintiff draws attention to the fact that Defendant 1 has, in fact, blocked its own domain name ‘GODADDY’, which is not available for registration from its website, either by itself or in combination with any other letters, words or characters.

(vii) Would grant of the reliefs sought in the plaint required the DNRs to adjudicate regarding the infringing nature of any available domain name?

(viii) How meritorious is the DNRs’ contention that no substantial relief would ensue in favour of the plaintiff, even were the prayer is in the plaint to be granted, as there are several hundreds of DNRs from whom aspiring registrants could obtain domain names containing the ‘SNAPDEAL’ word/thread?

(ix) Would grant of the reliefs sought in the plaint affects the rights of the DNRs or of aspiring registrants?

(x) Is the plaint bad for non-joinder of necessary parties?

(xi) Is the plaintiff is entitled to the relief of a restraint, against the DNRs, from providing, in future, to any aspiring registrant, any domain name containing ‘SNAPDEAL’ as a *quia timet* relief?

53. I proceed to deal with these issues *seriatim*.

Re. Issue (i)

54. The contention of the DNRs that, for want of any prayer for a declaration that the DNRs are not “intermediaries” within the meaning of Section 2(1)(w) of the IT Act, this argument is not open to the plaintiff, is completely devoid of merit. The plaintiff has sued for relief against the DNRs for what it perceives to be infringement, on their part, of its registered trademark. It has sought to fashion the suit as a *quia timet* action. The plea that they are “intermediaries” under the IT Act and are entitled to the protection of Section 79(1) thereof has been taken by the DNRs in response, as a point in defence. The issue of whether the DNRs are, or are not, “intermediaries” under the IT Act, therefore, falls for consideration, as being one of the issues advanced by the DNRs in defence to the suit. The absence of the prayer seeking a declaration that the DNRs are not “intermediaries” is not, therefore, of particular relevance.

55. The IT Act defines “intermediary”, in Section 2(1)(w) thus:

“(w) “intermediary”, with respect to any particular electronic records, means any person who on behalf of another person receives, stores or transmits that record or *provides any service with respect to that record* and includes telecom service providers, network service providers, internet service providers, web-hosting service providers, search engines, online payment sites, online-auction sites, online-market places and cyber cafes;”

The Full Bench of the High Court of Punjab in *Punjab Distilling Industries Ltd v. C.I.T.*¹¹, which holds that the words “with respect to” [as they occur in Section 100(1) of the Government of India Act, 1935 and in Article 246(1) of the Constitution] “are of wide import as

they simply mean ‘with reference to’ or ‘with regard to’.” Similarly, the High Court of Orissa, in *Godavaris Misra v. Nanda Kishore Das*¹² held that the words “with respect to the legislature”, found in Article 208(2) of the Constitution of India “would include within the scope not only the rule dealing with procedure and conduct of business during the actual session of the legislature but with all other incidental or ancillary matters”. Generally speaking, the expression “with respect to” is accorded a wide and compendious interpretation. Services “with respect to” electronic records would, therefore, include, within their scope and ambit, the service of providing the electronic records for utilisation by aspiring registrants. “Electronic record” is defined, in Section 2(1)(t) as meaning “data, record or data generated, image or sound stored, received or sent in an electronic form on micro film or computer-generated micro fiche”. “Data”, in turn, is defined in Section 2(1)(o) as meaning “a representation of information, knowledge, facts, concepts or instructions which are being prepared or had been prepared in a formalised manner, and is intended to be processed, is being processed, or has been processed in a computer system or computer network, and may be in any form (including computer printouts magnetic or optical storage media, punched cards, punched tapes) or stored internally in the memory of the computer”. “Information”, further, is defined in Section 2(1)(v) as “(including) data, message, text, images, sound, voice, codes, computer programs, software and databases or microfilm or computer-generated micro fiche”. Without entering into all the expressions used in these definitions, which flow from one to the

¹² AIR 1962 Punj 337 (FB))

other, it is clear that domain names would qualify as “electronic records”, as defined in Section 2(1)(t), especially as the domain names which are provided by the DNRs, according to them, are sourced from a common Domain Name Registry – which fact the plaintiff has not been effectively able to rebut. As being persons who provide service with respect to the domain names, the DNRs would be “intermediaries” within the meaning of Section 2(1)(w).

56. As the DNRs, therefore, fall within the “means” part of the definition of “intermediary” in Section 2(1)(w) of the IT Act, it is not necessary to examine the categories of intermediaries envisaged by the “includes” part of the definition. In respect of a “means and includes” definition, it is well settled that the “includes” part of the definition is enlarging in nature, and cannot constrict the scope and ambit of the “means” part. One may refer, in this context, to the judgement of the Supreme Court in *Black Diamond Beverages v. Commercial Tax Officer*¹³.

57. I am, therefore, of the opinion that the DNRs are “intermediaries”, within the meaning of Section 2(1)(w) of the IT Act.

Re. Issues (ii) and (iii)

58. Issues (ii) and (iii) deal with the providing of brokerage services by the DNRs and whether, by doing so, they are infringing

¹² AIR 1953 Ori 111

¹³ (1998) 1 SCC 458

the registered trademark of the plaintiff. As they are interlinked, they are dealt with together.

59. Neither does the IT Act, nor do the 2021 IT Rules, delimit or delineate the functions which an intermediary can perform. The IT Act is completely silent in this regard, merely restricting itself, in Section 79, to certain circumstances in which an intermediary would, and would not, be entitled to the protection of the provision. The IT Rules merely contain provisions relating to observation of due diligence by intermediaries and do not restrict the activities in which intermediaries may indulge. I am in agreement, therefore, with learned Counsel for the DNRs that there is no statutory proscription against their providing brokerage services. As the discussion hereinafter would reveal, however, this would impact the entitlement, of the DNRs, to the benefit of Section 79 of the IT Act. That said, there is, I repeat, no bar against the DNRs providing brokerage services, even if the brokerage charges, charged by the DNRs for such services, are in addition to, and over and above, the commission which they charge for providing domain names to an aspiring registrant.

60. As such, *merely on account of providing of brokerage services*, it cannot be said that the DNRs infringed the intellectual property rights of the plaintiff in any manner. Further, as the alternative domain names suggested/provided by the DNRs do not belong to the plaintiff, the DNRs are not required to obtain any permission from the plaintiff before providing such alternative domain names.

61. I am not impressed, either, with the contention of Ms. Majumder that, by providing brokerage services and providing proximate alternatives to the already “taken” domain name of the plaintiff, the DNRs are holding themselves out as agents of, or as having an association with, the plaintiff. The documents placed on record by the plaintiff, relating to the brokerage services provided by the DNRs indicate that the DNRs merely offer, in the event of a domain name that the prospective registrant desires being already taken, to suggest alternative domain names. The DNRs do not, in any manner, profess any association with the plaintiff, in making such alternatives available. Rather, it is the case of the DNRs – which the plaintiff has not been able to successfully traverse – that the alternative domain names are sourced from an existing Domain Name Registry, albeit using an algorithm devised by each individual DNR for the services provided by it. Inasmuch as the extraction/sourcing of alternative domain names from the Domain Name Registry is an automated process flowing from the manner in which the algorithm, devised by the DNR works, it cannot be said that the DNR is holding itself out to be either an agent of, or associated with the plaintiff, in providing such alternative domain names.

62. But, submits Ms. Majumder, Defendant 1 does not merely provide alternative domain names, which are proximate to her client’s registered trade mark; it also offers to try and make available to the aspiring registrant, the plaintiff’s owned domain name www.snapdeal.com, for a higher price. Even in this, however, there is nothing to indicate that Defendant 1 is holding itself out as an agent of

the plaintiff or making it appear that it has an association with the plaintiff. All that it says is that, for a higher price, it could attempt to secure the already taken domain name of the plaintiff. It does not profess to having been in any prior communication with the plaintiff in that regard, or of having taken the plaintiff's concurrence. In the event that the aspiring registrant is willing to pay the higher amount, to take a shot at obtaining the plaintiff's www.snapdeal.com domain name, Defendant 1 merely states that it would make efforts, but offers no guarantee of obtaining the domain name.

63. The submission of Ms. Majumder that the DNRs are holding themselves out to be agents of, or associated with, the plaintiff is, therefore, *prima facie*, not acceptable. Any such association, even if an aspiring registrant were to presume it to exist, would not amount to an "association" within the meaning of Section 29(2) of the Trademarks Act, as what is required by the said provision is "likelihood" of such an association being presumed on the basis of the allegedly infringing activity of the defendants.

64. Apropos Sections 28 and 29 of the Trademarks Act learned Counsel for the DNRs had sought to contend that the rights conferred by registration of a trademark, to the proprietor thereof, were limited to "the goods or services in respect of which the trademark is registered". The submission is obviously without merit. Section 28(1) clearly gives, to the registered proprietor of the trademark, not only the exclusive right to the use of the trademark in relation to the goods or services in respect of which it is registered, but also the right "to obtain relief in respect of infringement of the trademark in the

manner provided by” the Trademarks Act”. The right to obtain relief against infringement is, therefore, independently available to the proprietor of a registered trademark under Section 28(1), in addition to the exclusive right to use the registered trademark in relation to the goods or services in respect of which it is registered. The right to proceed against infringement, as envisaged by Section 29, covers not only to use of the allegedly infringing trade mark in respect of the goods or services in respect of which the allegedly infringed trade mark is used, but also to other goods and services. Section 29(4)(b) specifically covers infringement by use of a trademark in relation to goods or services, which are not similar to those for which the trademark of the plaintiff is registered. Section 29(4), for ready reference, may be reproduced once again thus:

- “(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which –
- (a) is identical with or similar to the registered trade mark; and
 - (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
 - (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.”

65. Learned Counsel for the DNRs sought to contend that infringement, if at all, had to be laid at the door of the registrants who had, using the services provided by the DNRs, registered domain names which infringed the plaintiff’s registered trademark. Learned Counsel seeks to contend that their clients cannot be said to be using the allegedly infringing domain names in the course of trade,

inasmuch as the websites, which are to operate under the said infringing domain names, are not theirs.

66. I cannot agree. The expression “uses in the course of trade” is of wide and has overarching scope. In *Hardie Trading Ltd v. Addisons Paint & Chemicals Ltd*¹⁴, the Supreme Court was concerned with the expression “use” as employed in Section 46(1)(b) of the Trade and Merchandise Marks Act, 1958 (“the TMMA”), which read thus:

“46. Removal from register and imposition of limitations on ground of non-use. –

(1) Subject to the provisions of Section 47, a registered trade mark may be taken off the register in respect of any of the goods in respect of which it is registered on application made in the prescribed manner to a High Court or to the Registrar by any person aggrieved on the ground either –

(b) that up to a date one month before the date of application, a continuous period of five years or longer had elapsed during which the trade mark was registered and during which there was no *bona fide* use thereof in relation to those goods by any proprietor thereof for the time being :”

The Supreme Court observed that the expression “*bona fide* use thereof in relation to those goods” was defined, in Section 2(2)(b) of the TMA as “as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods”. The

¹⁴ (2003) 11 SCC 92

Supreme Court held that, therefore, the user of the mark was not limited to use of the mark on goods, which were being sold, but would encompass all other types of use including non-physical use. When employed in the context of imported goods, the High Court of Bombay in *Washim Municipal Council, Washim v. Chaganlal*¹⁵ held that the word “use” “would include any such contingency of applying the goods imported for any purpose and would include putting the goods to any use”. The High Court of Karnataka in *Oriental Insurance Company Ltd v. Saraswathamma*,¹⁶ held that the word “use” as employed in Section 163-A of the Motor Vehicles Act, 1988, had to be accorded a very wide meaning and could not be given a restricted interpretation.

67. Even wider is the expression “in the course of trade”. In *Deputy Commercial Tax Officer v. Cosmopolitan Club*¹⁷, it was held that the expression “in the course of trade or business”, essentially indicated that the transaction had to be commercial in nature, having its inception in a hope of profit.

68. There is no dispute about the fact that the DNRs provide alternative domain names, in the event of the domain name that the aspiring registrant seeks being already taken, for a price and, in fact, charge higher prices for domain names which are more “in demand”. Clearly, therefore, the DNRs act commercially for a profit. In doing so, they use the allegedly infringing marks in the course of trade, by

¹⁵ AIR 1983 Bom 437

¹⁶ AIR 2008 (NOC) 1923 (Kar)

¹⁷ AIR 1954 Mad 1144

offering the domain names which constitutes the marks, for sale to aspiring registrants for a price. There is, therefore, clear user “in the course of trade”, by the DNRs of the allegedly infringing domain names. More specifically, in the case of the plaintiff, the DNRs use the plaintiff’s registered “SNAPDEAL” mark by offering the infringing domain names up to any aspiring registrant for a price. By doing so, the DNRs are clearly using, in the course of trade, the allegedly infringing marks. The contention, of learned Counsel for the DNRs, that any allegation of infringement by use in the course of trade of the allegedly infringing domain names, would only lie at the door of the registrants is, therefore, *prima facie*, misconceived and has to be rejected.

69. Learned Counsel for the DNRs places reliance on Section 3(1)(d) of the 2021 IT Rules, which reads thus:

“3(1) Due diligence by an intermediary – An intermediary, including social media intermediary and significant social media intermediary, shall observe the following due diligence while discharging its duties, namely:-

(d) an intermediary, on whose computer resource the information is stored, hosted or published, upon receiving actual knowledge in the form of an order by a court of competent jurisdiction or on being notified by the Appropriate Government or its agency under clause (b) of sub-section (3) of Section 79 of the Act, shall not host, store or publish any unlawful information, which is prohibited under any law for the time being in force in relation to the interest of the sovereignty and integrity of India; security of the

State; friendly relations with foreign States; public order; decency or morality; in relation to contempt of court; defamation; incitement to an offence relating to the above, or any information which is prohibited under any law for the time being in force.”

70. On a plain reading, it is clear that Rule 3(1)(d) of the IT Rules does not afford any protection to any act of infringement that the DNRs may have committed.

71. Learned Counsel for the DNRs have sought to contend that their clients are not required, by law, to pre-filter, or monitor, in advance, the alternative domain names, which would be thrown up when an aspiring registrant seeks to register a domain name which is already taken. *Prima facie*, this may be correct. Ms. Majumder has also not drawn my attention to any provision which casts an obligation, in law, on DNRs to pre-filter the alternative domain names that they would make available to the aspiring registrants.

72. Learned Counsel, however, further contends that the DNRs do not know, in advance, the option which would be thrown up, if the domain name that the aspiring registrants seek is already taken. The domain names, which would be thrown up, it is sought to be submitted, are extracted from an existing Domain Name Registry, based on an algorithm. It is, however, admitted and acknowledged that the algorithm is itself devised by the concerned DNR, obviously to facilitate its own business. Further, in his affidavit, Mr. Carlos A. Becerra, an employee of Defendant 1, admitted that “subject to technical, financial and resourcing issues, Defendant No. 1 can

potentially prevent users (which will necessarily include the plaintiff), from registering names with the exact letter “SNAPDEAL” or a word or a word string of which “SNAPDEAL” is a part through its platform and, more specifically, through its domain name registration tool”.

73. The submission that Defendant 1 has absolutely no control, or idea of, the alternative domain names which would be suggested, in the event that the domain name desired by the registrant is already taken, is also not acceptable for the reason that the DNRs charge different prices for making available, for registration, different domain names. Ms. Majumder has submitted that, given the goodwill that her client’s domain names commands, higher prices are charged by Defendant 1 for offering domain names which are proximate to those of her client. The fact that DNRs are able to differentially price the alternative domain names which they provide to the aspiring registrant, she submits, indicates that the defendants cannot claim complete ignorance about the alternative domain names which they provide. This is also supported by the uncontroverted fact that, on the website of Defendant 1, no domain name, even reasonably proximate to “GoDaddy” is available for registration. Though the alternative domain names may be thrown up automatically on the basis of an algorithm developed by Defendant 1 and even if they are sourced from an existing Domain Name Registry, *prima facie*, in view of the above uncontroverted facts, I cannot accept the contention of DNRs that they are entirely ignorant of the alternative domain names which they provide for registration, or are in no position to “block” any particular word or string from being included in the alternative domain names, which are thrown up by their respective sites.

74. It is no answer for the defendants to contend that these are merely post registration value added services. In the first place, I fail to understand how they can be treated as post registration services, as they relate to options which are thrown up before an aspiring registrant, *before* he takes registration. He is able to register a particular domain name only when he pays the specific price charged by the DNR for that particular domain name.

75. In the event that such domain names are deceptively similar to “SNAPDEAL”, it is clear, therefore, that the defendants are indulging in infringement of the plaintiff’s registered mark within the meaning of Sections 28 and 29 of the Trademarks Act. The contention of learned Counsel for the defendants to the contrary, therefore, *prima facie*, merits rejection.

Re. Issue (iv)

76. Issue (iv) relates to providing of privacy services. Ms. Majumder has sought to contend that providing of such services violates Clause 3.3.1 and Clauses 4.3, 4.3.3 and 6.1, respectively, of the Accreditation Agreements executed between Defendant 1 and ICANN and NIXI respectively.

77. This issue, in my view, cannot arise for consideration in the present case for the simple reason that ICANN and NIXI are private enterprises and the agreements between ICANN and NIXI with the DNRs are private contracts, to which the plaintiff is not a party,

though it may be a beneficiary to some extent. What Ms. Majumder, therefore, effectively seeks is specific performance of the clauses of the agreement between ICANN and NIXI on the one hand and the DNRs on the other. Not being a party to the said agreements, I do not see how the plaintiff can seek enforcement of any covenant thereof. As such, even if masking of the identities of the registrants, who obtain domain name registrations using their website, violates any clause of the Accreditation Agreement executed by the DNR either with ICANN or with NIXI, only such consequences would follow as are envisaged in the said agreement. Possibly, if the agreements provide for arbitration, the matter may have to be referred to arbitration, to which the plaintiff as a stranger to the Accreditation Agreements would not even be a party. Even assuming, therefore, *arguendo*, that providing of privacy services and masking of the identities of the registrants, violates any covenant of the Accreditation Agreements executed by ICANN or NIXI with the DNRs, any sanction that should visit the DNRs would have to be in terms of the said agreements; possibly, their accreditation may be rendered vulnerable. It is not permissible, however, for the plaintiff, in the present suit, in my view, to contest the providing of privacy services by the DNRs on the ground that they are violative of the covenants of the agreements between the DNRs and ICANN or NIXI.

Re: Issue (v)

78. Issue (v), once again, pertains to Section 79 of the IT Act. Section 79 provides for exemption, from liability, of intermediaries in

certain cases. Sub-section (1) immunizes the intermediary from liability “for any third party information, data or communication link made available or hosted by him”. I have already held that, *prima facie*, DNRs are intermediaries, and the alternative domain names offered by them, to aspiring registrants, come within the ambit of the expressions “information” and “data”. Read in isolation, therefore, Section 79(1) immunizes the intermediary from any liability for the alternative domain names provided by it.

79. Section 79(1) cannot, however, be read in isolation, as it is conditioned by sub-sections (2) and (3) of Section 79. Of these, sub-section (2) sets out conditions in which Section 79(1) would apply and sub-section (3) enumerates conditions in which Section 79(1) would not apply. For the purposes of the present controversy, neither of the two exigencies envisaged by Section 79(3), in its sub clauses (a) and (b) applies.

80. Adverting to Section 79(2), however, the clause contemplates three different circumstances in which Section 79(1) will apply. The first is where the function of the intermediary is limited to providing access to a communication system, over which information made available by a third party is transmitted or temporarily stored or hosted. The second is where the intermediary does not initiate or select the receiver of the transmission and does not select or modify the information contained in the transmission. The third is where the intermediary observes due diligence while discharging its duties under the IT Act as well as other guidelines prescribed by the Central Government.

81. Interestingly, the word “or” figures between Clauses (a) and (b) of Section 79(2), but is absent between Clauses (b) and (c). In my, *prima facie*, opinion, the three Clauses (a), (b) and (c) of Section 79(2) have to be read conjunctively and not disjunctively. There appears to be some amount of legislative laxity in the framing of the sub-section, as is manifest by the fact that, though Clauses (a) and (b) are separated by the word “or”, there is no separating conjunction between the Clauses (b) and (c). If the three clauses are to be read disjunctively, it would mean that even though the intermediary does not observe due diligence as envisaged by Clause (c) and indulges in activities other than the activity envisaged by Clause (a), it would nonetheless be entitled to the benefit of Section 79(1) merely because it does not initiate the transmission, select the receiver of the transmission or select or modify the information contained in the transmission. That, in my view, could never be the intendment of Section 79(2) of the IT Act. In this context, I may note that, of late, the “golden rule of interpretation” of statutes has switched from the principle of literal interpretation to that of purposive interpretation, as held by the Supreme Court in *Shailesh Dharyawan v. Mohan Balkrishna Lulla*¹⁸, followed in *Richa Mishra v. State of Chhattisgarh*¹⁹.

82. View thus, an intermediary which provides services which are in excess of those which, in natural course, fall to its functions as an intermediary, cannot be entitled to the benefit of Section 79(1).

¹⁸ (2016) 2 SCC 619

Specifically, if the intermediary provides functions which are in excess of providing access to a communication system over which information made available by the third party are transmitted, stored or hosted, it cannot secure the benefit of Section 79(1). The intent and purpose are obvious. An intermediary, which operates for profit, as a business enterprise, cannot seek amnesty under Section 79(1). This would be, especially, in respect of liabilities which arise from such activities, which are beyond the activity of providing access to a communication system as contemplated by Section 79(2)(a).

83. In the present case, it is not in dispute that the contesting DNRs are not merely providing access to a communication system over which information can be shared. They are acting with clear intent to profit. They are providing alternative domain names for a price. Not only this, they are differentially pricing the alternative domain names, depending, obviously, on the “demand” for such alternatives. If, in providing such alternatives, therefore, the DNRs infringed registered trademarks of third party as such the plaintiff, they cannot seek immunity from the consequences of such infringement, by taking shelter under Section 79(1).

84. The provision of “safe harbour” under Section 79 cannot, therefore, *prima facie*, in my view, be available to the DNRs, to the extent that the alternative domain names provided by them to aspiring registrants infringed the registered trademark of the plaintiff.

Re: Issue (vi)

85. Issue (vi) effectively stands answered by the admission and acknowledgment contained in the affidavit of Mr. Carlos A. Becerra. In para 5 of the said affidavit, Mr. Becerra has clearly acknowledged that Defendant 1 could potentially prevent users from registering domain names with the exact letters “SNAPDEAL” or a word or string of which “SNAPDEAL” is a part. This is also apparent from the fact that Defendant 1 does not provide any alternative domain name containing the word/string “GoDaddy”, being its own registered domain name. The contention that as the process of sourcing the alternative domain names from the Domain Name Registry is automated, the DNRs cannot vouchsafe that the alternative domain names that would be thrown up on their websites would not contain any trademark which is already registered as such “SNAPDEAL”, cannot, therefore, be accepted.

86. In this context Ms. Majumder advanced the contention that there could be no condonation against infringement. It is no answer, she submits, for the DNRs to contend that, as the process of sourcing, from the Domain Name Registry, the alternative domain name, is automated, it is not possible for them to ensure that the alternative domain names would not be infringing in nature. If it is not possible for the DNRs to do so, she submits, the DNRs should stop providing alternative domain names.

87. I entirely agree. Infringement of intellectual property rights is not condonable in law. A registered trademark cannot be infringed, in view of the clear proscriptions contained in Sections 28 and 29 of the Trade Marks Act. There can be no argument against this. It is not open to anyone to contend that its activities are so carried out that it cannot guarantee against infringement. Nor can it lie in the mouth of anyone that it is practically not possible for it to carry out its activities in a manner which would not infringe others' intellectual property rights. The contention of DNRs that the manner in which alternative domain names are provided, on their websites to prospective registrants, in the event of the domain names sought by the registrants being not available, is automated and that, therefore, they cannot ensure that such alternative domain names would not be infringing, is simply not acceptable. Admittedly, the algorithm, on the basis of which the alternative domain names are made available, is devised by each individual DNR itself. It is the DNRs' responsibility to ensure that the alternative domain names do not infringe any registered trademark. The mere fact that a declaration to the said effect is also extracted from the prospective registrant is no insurance against the liability which would fall on the DNR, were it to be providing infringing alternative domain names. If the algorithm works in such a manner that there is a possibility of infringing alternative domain names being made available to an aspiring registrant, the DNR has to discontinue the use of such algorithm. If the consequence is that the DNR would not be able to provide alternatives, so be it. The law does not permit, or condone, its infraction.

88. There is no substance, therefore, in the contention of learned Counsel for the DNRs that, as the process by which alternative domain names are sourced from the Domain Name Registry is automated, they cannot vouchsafe to the alternative domain names not being infringing in nature. If that is the position, the DNRs have to discontinue providing alternative domain names or find some way or the other to ensure that infringing domain names are not provided. That the website of Defendant 1 does not provide any domain name containing the thread “GoDaddy” indicates that, in fact, this is possible.

Re: Issue (vii)

89. Grant of the prayer sought by the plaintiff would clearly not require any adjudicatory exercise to be undertaken by the DNRs, as the plaintiff seeks an omnibus direction, *in futuro*, to the DNRs, never to make available to any prospective registrant any domain name containing the “SNAPDEAL” string. If the Court were to grant this prayer, compliance, therewith, would not require the DNRs to adjudicate or examine, in respect of any domain name which may be made available on their websites to any prospective registrant, as the Court, by granting the prayer, would already have adjudicated, in anticipation, that all such domain names, which contain the “SNAPDEAL” string, would *prima facie* infringe the plaintiff’s registered “SNAPDEAL” trade mark.

Re: Issue (viii)

90. The DNRs' objection that the plaintiff would not obtain any substantial relief, were its prayer even to be granted, is devoid of substance, as the plaintiff is *dominus litis*, and it is entirely the plaintiff's decision, therefore, as to whom to sue. An infringing defendant can hardly seek to contend, as a defence to infringement, that there are other infringers whom the plaintiff has not chosen to sue.

Re. Issue (ix)

91. Neither do the DNRs have any right to make available for registration, to aspiring registrants, domain names which infringe existing registered trademarks, nor does any registrant have a right to registration of such an infringing domain name. If the Court were to grant the prayer, of the plaintiff, for an anticipatory injunction, restraining the DNRs from making available, to any aspiring registrant, any domain name containing the 'SNAPDEAL' string/thread, it would be on the premise that any such string/thread would, *prima facie*, be infringing in nature. That being so, any such injunction would not affect, judicially, any right of the DNRs either, as no DNR can claim, as of right, an entitlement to provide, to aspiring registrants, a domain name which infringes an existing trademark, especially for profit.

Re. Issue (x)

92. In view of my findings on Issues (viii) and (ix), it cannot be said that the plaint is bad for non-joinder of necessary parties.

Re: Issues (xi)

93. Having held as above, the plaintiff's case faces a serious hurdle, when it comes to the reliefs sought in the plaint. The plaint is styled as a *quia timet* action. "*Quia timet*", etymologically, means "since he fears".²⁰ P. Ramanatha Aiyar's Advanced Law Lexicon observes, in respect of the expression *quia timet*, thus: "Before any injury has occurred; a suit can be filled to restrain an anticipated wrong or tort, and the Court is satisfied, it may issue a *quia timet* injunction". A *quia timet* action is one that seeks, in advance, relief against any prospective damage. In the case of infringement, a *quia timet* action can seek an interdiction against infringement even before such infringement takes place.

94. That, however, can only be in respect of marks which are known to be prospectively infringing. In other words, if a plaintiff is legitimately aware of the fact that a defendant is likely to launch an infringing product or use an infringing mark then, even before such product is launched or mark is used, the plaintiff can initiate a *quia timet* action to prevent for an injunction against such use, instead of waiting for the use to take place and damage to follow.

²⁰ Hi-Tech Systems & Services Ltd v. Suprabhat Roy, AIR 2015 Cal 261

95. A *quia timet* action cannot, however, be predicated on hypothetical or imaginary infringements. In my considered opinion, it is not permissible for the Court to hold, in advance, that every prospective alternative domain name, containing the word/thread/string “SNAPDEAL” would necessarily be infringing in nature and, thereby, injunct, in an omnibus and global fashion, DNRs from ever providing any domain name containing “SNAPDEAL”. This, in my view, would be completely impermissible. Section 28(1) of the Trade Marks Act provides the proprietor of a registered trade mark the right to obtain relief in respect of infringement of the registered trade mark. “Infringement of registered trade marks” is, in turn, defined in Section 29. Infringement, in each sub-section of Section 29, is envisaged by use of “*a mark*” which infringes the registered trade mark of another, and sets out the various situations in which such infringement could be said to have taken place. The allegedly infringing mark must, however, be clear and identifiable. If it is, by combined operation of Section 28(1) and Section 29, the proprietor of the allegedly infringed registered trade mark would be entitled to an injunction against the use of the allegedly infringing mark. The plaintiff has to draw the attention of the Court to the marks, of the defendant, which infringe the plaintiff’s registered trade mark. In the present case, the plaintiff has necessarily to come to the Court – as it has been doing in the past – against every domain name which it perceives to be infringing of its registered “SNAPDEAL” marks. The Court would then have to examine whether such mark is, in fact, infringing and, if so, injunct the use of such mark/domain names. The cause of action, in any trademark infringement suit, has

to be with respect to the particular infringing trademark/trademarks. The Court cannot pass an order, to operate *in futuro*, restricting the defendants from offering, for registration, *any domain name*, which includes the thread “SNAPDEAL”, as that would be attributing, to the Court, a clairvoyance which it does not possess.

96. I have already expressed this view, earlier, in my decisions in *Star India v. Y1mylivecricketbiz.com*⁹ and *Star India v. Yodesiserial.su*¹⁰.

97. The plaintiff has, therefore, necessarily to petition the Court against each domain name that it finds to be infringing. This may be a long and cumbersome exercise. It cannot be helped. There is no shortcut to justice.

98. In all such cases, however, the DNRs, by the application of the algorithm derived by whom the infringing domain names are becoming available to prospective registrants, would themselves be “infringers”, within the meaning of Section 29 of the Trade Marks Act, and liable in that regard. In order to avoid such liability, in my opinion, the DNRs would either have to modulate their algorithms in such a way as not to make available, to prospective registrants, potentially infringing alternatives – as Defendant 1 has apparently done in respect of its own domain name – or avoid providing alternative domain names altogether. A situation in which the algorithms of the DNRs make available, to prospective registrants, infringing domain names, leaving the proprietors of the infringed

trade marks to repeatedly knock at the doors of the Court cannot be allowed to continue *in perpetuo*.

99. For the aforesaid reasons, I regret that I am unable to grant any interim injunction as sought in the latter half of prayer (a) in IA 5407/2021, which seeks an injunction against Defendants 1 to 32 “offering any domain names which incorporate the Plaintiff’s SNAPDEAL trademarks listed in para 10 of the plaint”.

100. The contention of the DNRs that such a relief cannot be granted under Order XXXIX Rules 1 and 2 of the CPC, has, *prima facie*, to be accepted.

101. For the aforesaid reasons, the prayer (a) in IA 5407/2021 of the plaintiff, *to the extent* it seeks an injunction against Defendants 1 to 32 “offering any domain names which incorporate the plaintiff’s “SNAPDEAL” trademarks listed in para 10 of the plaint’, is rejected.

C. HARI SHANKAR, J.

APRIL 18, 2022
dsn/ss/r.bararia