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Secondary Liability in Trademark Infringement in Cyberspace: A Comparative Study of the Laws in India and the USA

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This article explains the conceptual approach of the author for the study of trademark violations in cyberspace and how the parties have exploited the secondary responsibility to tour the Intellectual Property Law to benefit themselves financially. The author's research findings, based on online resource system analysis and statistical analysis of secondary obligations in trademark violations in cyberspace, are presented in this paper. The conclusion gives us a detailed analysis of how Indian law has not followed the challenges that have arisen for the protection of copyright while US law has.

Keywords: *trademarks, cyber space, protection of copyright, IP laws.*

INTRODUCTION

A trademark is a sign or feature that distinguishes something that is very typical or not connected to a person or entity. When a registered trademark is used or sold without the authorization of its original owners, trademark violations occur.¹ General Law The principle of a lawsuit known as a "secondary responsibility" applies when a third person hurts the

¹ Nathalia M Fenwick, 'Secondary liability in Trademark Infringement' (*Company360.in*, 18 October 2021) <<https://www.company360.in/blog/Secondary-Liability-in-Trademark-Infringement>> accessed 22 June 2022

trademark by encouraging, encouraging, helping, or contributing materially to the violation.² This can be seen as the development of competition law. This essay examines how third parties are involved in the situation of violations and are finally held accountable for the same thing.

Secondary responsibility comes in two different forms. Secondary responsibilities can be divided into two categories: representative responsibilities and negligence of contribution. Representative responsibilities are imposed for the failure or inhibition of others. There must be a unique relationship between the two, such as fishermen or employers. Indirect references to the same thing are made in section 114 of the trademark law.³ Representative responsibilities arise when one party has the authority to direct the behaviour of others and third parties directly receive financial benefits from the violation. On the other hand, negligence of contribution occurs when someone encourages, encourages, or helps violations.⁴

For example, negligence of contribution will occur if the producer consciously helps the seller violate the trademark. Contributory negligence entered the picture when the defendant realized the violation and materially contributed to it. An important decision in the case of the *Inwood Laboratories trademark v Ives laboratories*⁵ discusses secondary responsibilities.

CYBERSPACE AND INDIA

Everyone is said to be able to exist in cyberspace, a virtual world that only exists in computer memory. Using it, people can communicate with others, read, publish, do research, listen to music, watch videos, see the artwork, buy and sell goods, send emails, access government documents, download software, and get technical support. India has experienced rapid growth in internet services. The problem of protection of intellectual property rights (IPR) is projected to be more prominent when the internet develops. The internet was covered by Copyright Law. The reason is when people chose to pirate anything on the internet, there was a good profit but they could be traced and that amounted to a good measure of infringement. With so much

² *Ibid*

³ Trade Marks Act 1999, s 114

⁴ *Ibid*

⁵ *Inwood Laboratories trademark v Ives laboratories* 456 US 844 (1982)

replication happening every day, laws have got stricter with time and so did the laws in India.⁶ The US is always at the spearhead of discovery and technology.⁷ When information technology develops, there are more examples of online intellectual property theft. CopyRight Act of 1976⁸ is the first US law that includes provisions to overcome this problem, and as a result, the US Copyright Law⁹ is now established. India's Copyright Law in 1957,¹⁰ the first copyright law in the country after independence, did not focus a lot of attention on the law of violations of cyberspace copyright.¹¹ The latest modification for this law since 1957 occurred in 2012 with the enactment of the 2012 Copyright Amendment Law¹². The laws of the two countries, the United States and India were different in the following laws:

BASIS FOR COMPARISON

JURISDICTIONAL ISSUES

USA:

It is very important to remember that the United States must bear the burden of examples of intellectual property violations in cyberspace before other countries because it is a country that developed PC software first. The US court was forced to use its legal authority to bring justice to victims of copyright violations because these events became increasingly common. To determine whether they have jurisdiction to hear the claims of intellectual property violations, the court has set two tests since the 1990s.

Zippo test, the main test, was made "In the case of Zippo Manufacturing Co. Co. Zippo dot com Inc."¹³ Based on how much "interactivity" is on the website, this test determines court jurisdiction. Website interactions are divided into three types: interactive, passive, and active.

⁶ Subhasis Saha & Saurav Keshri, 'Challenges to Copyrightable Work in Cyberspace' (2007) 13 Journal of Intellectual Property Rights

⁷ *Ibid*

⁸ Copy Right Act 1976

⁹ *Ibid*

¹⁰ Indian Copyright Act 1957

¹¹ *Ibid*

¹² Copyright (Amendment) Act 2012

¹³ *Zippo Mfr Co v Zippo Dot Com Inc* (1997) 952 F Supp 1119

According to the court, the passive website is one that only offers information to users without allowing any involvement.¹⁴ On the other hand, interactive websites have two-way online contacts and are quite active in their marketing initiatives. To build a personal jurisdiction, such websites are not enough. Websites like this can be used to create personal jurisdiction. The Zippo "Sliding Scale" test¹⁵ has been criticized for failing to offer benchmarks to measure the interactivity of websites to establish jurisdiction, and evaluate whether sustainable diaries are needed or not.

The second test is known as the "Securities Test," and was developed following the decision in *Calder's v Jones*.¹⁶ By examining whether the party's actions have an effect on the country, the "Securities Test" is used to determine whether the state has jurisdiction rights to them.¹⁷ This new violation case shows that the first test is more effective than the second in establishing jurisdiction. "A new case, *United States v Kim dot com*, adopts the same attitude when determining jurisdiction in the event of a DMCA 1998 problem.¹⁸ The court states that it is impossible for companies to avoid jurisdiction based on formalities if they do many things big enough Business in the United States while registering and addresses abroad.¹⁹ Conversely, the court becomes a little more accommodating in this field and does not need to demand a large number of businesses.²⁰

INDIA:

"Indian law is not very clear in this aspect." In addition to the reasons set in part 20 of the BPK, 1957,²¹ section 62 (2) Indian Copyright Law, 1957²² offers a broader jurisdiction to the court to pay attention to the things of copyright violations through the internet by introducing new

¹⁴ *Ibid*

¹⁵ *Ibid*

¹⁶ *Calder v Jones* (1984) 465 US 783

¹⁷ *Ibid*

¹⁸ *Kim Dotcom v The United States of America* (2018) SC 57/2018

¹⁹ *Ibid*

²⁰ *Ibid*

²¹ Indian Copyright Act 1957, part XX

²² Indian Copyright Act 1957, s 62(2)

places to sue "as a result of its consequences"²³, such violations can be submitted before the "District Court" under section 62.²⁴ This caused a serious concern regarding Section 62 (2)²⁵, which would give the Court of the Court's extraterritorial court, it was clearly contrary to Article 1 (2)²⁶ of the Indian Constitution in 1950. "Regardless of the fact that the IT law includes all cyber rules, it does not mention intellectual property rights.

As a result, the provisions do not automatically imply solutions. Indian justice, on the other hand, has interpreted these rules to embrace the jurisdiction of the Indian court. "Under section 51 (a) from the Copyright Law, 1957,²⁷" said "a place for profit" is considered to include public places, libraries, or other types of locations in the case of *Super Cassettes Industries Ltd v MySpace Inc.*²⁸ This is a physical location and location on the internet or in cyberspace.²⁹

*Banyan Tree Holding Ltd. v A. Murli Krishna Reddy & Anr.*³⁰ is a case of a landmark using a long-sleeved jurisdiction, with the plaintiff who lives in Singapore and the defendant who lives in Hyderabad.³¹ *Casio India Case Ltd. v Ashita Tele Systems PVT. Ltd.*³² It was also established based on the fact that, because of the presence of the World Wide Web everywhere and presence throughout the world, all provisions relevant to this case have global jurisdiction.³³ The court uses the famous Zippo scale test,³⁴ as well as other countless assessments given in US cases, to overcome this problem.³⁵

²³ *Ibid*

²⁴ Indian Copyright Act 1957, s 62

²⁵ Indian Copyright Act 1957, s 62(2)

²⁶ Constitution of India, art 1(2)

²⁷ Indian Copyright Act 1957, s 51(a)

²⁸ *Super Cassetes Industries Ltd v Myspace Inc & Another* (2011) CS(OS) No 2682 of 2008

²⁹ *Ibid*

³⁰ *Banyan Tree Holding (P) Limited v A Murali Krishna Reddy & Anr* (2009) CS(OS) No 894 of 2008

³¹ *Ibid*

³² *Casio India Case Ltd v Ashita Tele Systems Pvt Ltd* 106 (2003) DLT 554

³³ *Ibid*

³⁴ *Zippo* (n 15)

³⁵ *Ibid*

COMPLIANCE WITH INTERNATIONAL REGIMES

USA:

"In 1998, the United States imposed the Millennium Digital Copyright Law to bring Copyright Law in line with Wipo Accords." Part 1201 Copyright Law³⁶ of the United States of 1976, as amended by Section 103 of DMCA,³⁷ protects from the technical actions of copyright holders to protect their work. "As two types of technological actions, steps to prevent unauthorized access to the protected. Work and steps to prevent the copy of protected work that is illegally distinguished.³⁸ The first is avoided to promote fair use, while the second is not. This change was applied in accordance with WCT Article 11³⁹ and WPPT Article 18.⁴⁰ The US court concluded in *Kelly vs Arriba Soft Corp* ⁴¹which provides a version of thumbnail photos and automatic indexing web pages containing photos that are fair use.⁴² "Part 1202 is made in accordance with WPPT Article 19⁴³ to protect the integrity of copyright management information."⁴⁴

INDIA:

Copyright Law in 1957⁴⁵ was renewed in 2012⁴⁶ to harmonize it with the WCT internet agreement and WPT Internet Intellectual Organizations of the World. It also combines the requirements of the special use of fairly for internet-based works, as well as technical protection to protect work -entitled work in cyberspace.⁴⁷ "The word" rent "was introduced in part 14 of

³⁶ Copy Right 1976, part 1201

³⁷ Digital Millenium Copyright Act 2008, s 103

³⁸ *Ibid*

³⁹ WIPO Copyright Treaty 1996, art 11

⁴⁰ WIPO Performances and Phonogram Treaty 1996, art 18

⁴¹ *Kelly v Arriba Soft Corporation* (2001) 280 F.3d 934 (9th Cir 2002), 336 F.3d 811 (9th Cir 2003)

⁴² *Ibid*

⁴³ WIPO Performances and Phonogram Treaty 1996, art 19

⁴⁴ *Ibid*

⁴⁵ Indian Copyright Act 1957

⁴⁶ Copyright (Amendment) Act 2012

⁴⁷ *Ibid*

Indian Copyright Act, 1957,⁴⁸ in accordance with Article 7 WCT⁴⁹ and Article 9 WPPT⁵⁰, which provides" commercial rental rights "for computer and cinematograph film programs."⁵¹ In "Section 14 (D)⁵² and (E)⁵³, the terms 'rent' and 'commercial rental' are replaced to limit the scope of recruitment by commercial rental and not non-commercial ones." The updated law adds a definition to the term "commercial rental" in section 2 (FA)⁵⁴. Fair use standards now apply to digital work too.

INFRINGEMENT LIABILITY

USA:

When evaluating whether or not an infringement has occurred, four elements are considered: "(1) the reason for usage and type of use (commercial or educational); (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion of the work used;"⁵⁵(4) the worth of the copyrighted work Based on these elements, a US court determines whether a person's act of exploitation is within the limits of fair use. When it comes to evaluating 'fair use' and maybe extending these components to new technologies and copyright information, judges in the United States have a lot more leeway.⁵⁶ In contrast, the Indian legal system specifies 'fair dealing' boundaries that are more societal and beneficial to the common man. "According to title 17 of the United States Code,⁵⁷the fair use of the work of copyright is not a copyright violation."⁵⁸ In this context, the Supreme Court decided to support Sony Corp vs Universal City Studios, Inc.,⁵⁹stating that video tape recorders produced and marketed by Sony are fair uses even if the original material is 100% replicated. The main reason behind this choice is that the main purpose

⁴⁸ Indian Copyright Act 1957, part XIV

⁴⁹ WIPO Copyright Treaty 1996, art 7

⁵⁰ WIPO Performances and Phonogram Treaty 1996, art 9

⁵¹ *Ibid*

⁵² Copyright (Amendment) Act 2012, s 14(D)

⁵³ Copyright (Amendment) Act 2012, s 14(E)

⁵⁴ Copyright (Amendment) Act 2012, s 2(FA)

⁵⁵ *Arriba Soft Corporation* (n 45)

⁵⁶ *Ibid*

⁵⁷ US Code 1947, title 17

⁵⁸ *Ibid*

⁵⁹ *Sony Corp of America v Universal City Studios, Inc* (1984) 464 US 417

of the recording show is 'shifting time,' or postponing the watching system without seizing the owner of copyright money. As a result, they have such fair use.⁶⁰

INDIA:

As has been shown. In Indian law, a fair transaction is "the doctrine of legal defense that may succeed in cases of copyright infringement." The legal framework based on common law regulates fair transactions. Section 52 (a) Indian Copyright Law⁶¹ defines fair transactions as an exception or defense against certain actions that will not be considered a violation for four types of work: "*Literature, Dramatic, Musical, or Artistic Work for Research, Review, or critics.*" In this case, the Gramophone Company of India versus Super Cassette Industries,⁶² where the Plaintiff's remix version of the original song was sold online by the defendant, it was decided to support Super Cassette, because the court quoted a fair agreement from the fair copyright law from Copyright Law Copyright's Fair's Fair Provision, which states that it is permitted to make other sound recordings using alternative arrangements for artists, musicians, and singers.

REMEDIES

USA:

Section 502 to 505 provides the following solutions for general violations or crimes of copyright work:

"A) Under section 502 of the United States Copyright Law, the court may order the law of violations to be stopped after the trial or even before the trial if the evidence of adequate violations or violations of Article 1201 is submitted to the court; b) Based on Section 503, The court can order a delay of violating work and material used to make it, as well as the disposition of the works and materials after the trial; c) Based on the 505 section, the court can provide a reasonable lawyer fee."

⁶⁰ *Ibid*

⁶¹ Copyright Law 1957, s 52(a)

⁶² *Gramophone Company of India v Super Cassette Industries* 2010 (44) PTC 541

INDIA:

There are three types of solutions for copyright violations in Indian law.

A) Civil recovery: damage to the command or profit of the account, sending copies that violate, and damage to conversion; b) Criminal Recovery: confiscation of materials violated and imprisonment/imposition or both on violations; c) Administrative Recovery: Prohibiting Imports of Material Violations to India by moving the Copyright List when the import is a source of violations.⁶³

INFRINGEMENT STATISTICS

USA:

According to one study, 20% of software in the United States is pirated.

INDIA:

According to a report, India suffers 69 percent of software piracy.

ROLE OF INTERNATIONAL TREATIES

According to the World Intellectual Property Organization (WIPO), the main purpose of copyright is to foster a dynamic creative culture while returning value to the Creator so that the Creator can lead the existence of sophisticated finances, and provide extensive and affordable access to content for the public. TRIPS is an international agreement between all members of the World Trade Organization (WTO) which handles the harmonization of countries to pursue the IP protection agenda but fails in terms of protection against internet violations. Increased use of cyberspace has resulted in many abuses of data that violates the law throughout the world, without limits on the border that can be controlled.⁶⁴ The journey makes several changes to the

⁶³ Indian Copyright Law 1957

⁶⁴ Shubhangi Gehlot, 'Copyright Infringement in Cyberspace: A Critical Study' (*LawBhoomi*, 2020)

<https://lawbhoomi.com/copyright-infringement-in-cyberspace-a-critical-study/#:~:text=Other%20development%20was%20mainly%20strengthening%20enforcement%20and%20protecti>

Indian law, especially the Indian evidence law and the Copyright Law, and adding a few steps of technology protection, friendly authors steps, special protection for disabled people, and promoting the use of a just cyberspace.⁶⁵

SOME CASES REFERRED FOR COPYRIGHT INFRINGEMENT

Gramophone Company of India v Super Cassette Industries Ltd.:⁶⁶ The remix version of a song was being sold by the defendant on the internet or as a mobile tune unethically and with no legal authority.⁶⁷ The court observed that the right to sell a recording version vests with the copyright holder and whether to hire or offer for sale or hire to the public or distribute is neither dismissed nor curtailed by the format in which it may be sold online.

Microsoft Corporation v Yogesh Popat:⁶⁸ The plaintiff, Microsoft Corporation was awarded compensation of 23.62 lakhs against the offender company for uploading pirated software of Microsoft in computers the company sold after assembling parts by the Delhi High Court.⁶⁹

Syed Asifuddin and Ors. v State of Andhra Pradesh:⁷⁰ Here an alteration of a computer program was done by the infringer thus amounting to punishment under Section 63 of the Indian evidence act^{71,72}

Feist Publication v Rural Telephone Service Co. Inc.:⁷³ It was held that there must be at least some minimal degree of creativity and that what should be protected by copyright were the fruits of intellectual labour and not just sweat of the brow.⁷⁴

[ng.provides%20the%20punishment%20for%20offence%20of%20copyright%20infringement.>](#) accessed 22 June 2022

⁶⁵ *Ibid*

⁶⁶ *Gramophone Company of India* (n 67)

⁶⁷ *Ibid*

⁶⁸ *Microsoft Corporation v Yogesh Popat* 2005 (118) DLT 580

⁶⁹ *Ibid*

⁷⁰ *Syed Asifuddin and Ors v State of Andhra Pradesh* 2005 Cri LJ 4314

⁷¹ Indian Evidence Act 1872, s 63

⁷² *Syed Asifuddin and* (n 76)

⁷³ *Feist Publication v Rural Telephone Service Co Inc* 499 US 340 (1991)

⁷⁴ *Ibid*

WAYS TO PROTECT DIGITAL/INTELLECTUAL PROPERTY

- Digital Rights Management (DRM) technology or electronic rights management system defends copyrights by identifying and protecting content from copying, managing access, protecting its integrity, ensuring payments to access them, and tracing illegal users who access them.
- Technical Protection Actions (TPM) allows businesses to secure and protect content including music, text, and videos from the use of the law. Both technologies are widely used to sell and distribute material through the internet. Other solutions learned to include cryptography, digital watermark technology, digital signature technology, electronic marking, and operating system security features.⁷⁵

CONCLUSION

According to the study's findings, although US law has advanced sufficiently to accept new challenges to copyright protection, Indian law has not. Although the Indian Copyright Act contains a few confusing provisions concerning copyright protection in cyberspace, it does not state its viewpoint. Unlike in the United States, where statutes give unambiguous guidance for judges, Indian law has left it fully up to the judiciary to interpret the law as flexibly as possible to accommodate changing circumstances. This is why, despite numerous institutions exploring strategies, reducing piracy rates in India has proven unachievable. However, it cannot be stated that the Indian legislature is completely ignoring the matter. The law is still in its early stages and is evolving slowly. It is likely to adopt a holistic approach in the coming decades and catch up to American law.

⁷⁵ *Ibid*