



8 Oct
2020

McDonald's and Amul continue trend of successful hybrid actions against fake websites

India - [Khaitan & Co](#)

- Earlier this year, the Bombay High Court set the trend of hybrid actions involving John Doe infringers, banks and domain name registrars
- In two separate matters filed by McDonald's and Amul, the court has now directed the registrars and banks to assist by taking certain measures
- Such hybrid actions provide brand owners with an effective tool to take action against the entire chain

The Delhi High Court, in two separate matters filed by McDonald's Corporation and Gujarat Cooperative Milk Marketing Federation Ltd (Amul), has taken action against fake websites/impostors by directing other defendants, such as domain registrars and banks, to assist by taking decisive measures ([McDonald's Corporation v National Internet Exchange of India](#)(IA 6950/2020 in CS(COMM) 324/2020) and [Gujarat Cooperative Milk Marketing Federation Ltd v Amul Franchise.in](#)(IA 7456/2020 in CS(COMM) 350/2020)).

Background

Earlier this year, the Bombay High Court in [Hindustan Unilever Limited v Endurance Domains Technology LLP](#) set the trend of hybrid actions involving the actual infringers (John Does), banks and registrars. McDonald's and Amul then followed suit.

In both matters, McDonald's and Amul were aggrieved by unknown persons (John Does) who had created fake websites using identical/similar marks as part of the domain names, as well as logos/artistic works/fake tax identifications and corporate material similar to those of the original owners, so as to give the impression to unwary customers, job aspirants and traders seeking dealerships/franchises (aggrieved persons) that the websites belonged to the original owners. Further, the John Does would coax the aggrieved persons into depositing monies into their bank accounts with a false promise of offering dealerships or jobs, among other things.

Both McDonald's and Amul had initially requested the banks and domain registrars to assist them in stopping these practices. McDonald's had also initiated a criminal action and published a caution notice, without much luck. There were several reasons for this lack of success, which are unique from an Indian perspective:

- In India, there is no central agency that co-ordinates joint actions involving various agencies (such as banks, registrars and police authorities).
- Each of these agencies have their own regulations, and due to other aspects, they may not be allowed to disclose sources merely upon a request by a brand owner. For instance, registrars may claim immunity under the safe harbour provisions. The registrars had suspended certain websites, but new fake websites would immediately appear.
- The police authorities are also not in a position to act under the penal provisions of the Trademarks Act 1999, unless an opinion is provided by the Trademarks Registry, which takes time. On the copyright front, since registration is not mandatory, the police authorities are sometimes hesitant to act without any document proving copyright ownership.
- Traditionally, the courts were hesitant to implead parties/defendants (such as banks) other than the infringers.

Decision

Fortunately, the Delhi High Court has allowed hybrid actions involving John Doe infringers, banks and registrars, thereby providing brand owners with a single tool to take decisive action against the entire chain. Here, apart from the usual injunctions against the John Doe infringers, the court directed, among other things:

- the registrars to suspend, and block access to, the impugned domain names, and to disclose the details of registrants; and
- the banks to provide the details of the bank account holders to ascertain the identities of the John Does, and to freeze such accounts (in *McDonalds* only).

Comment

Such decisions will go a long way in deterring fraudsters who, in the past, used the procedural/bureaucratic aspects of the Indian system to escape action. With the rise of digital payment systems and financial fraud in India, such decisions will reassure the public and show brand owners that they can get justice by initiating such hybrid actions.

The views of the authors in this article are personal and do not constitute legal/professional advice.

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