

**Dispute Resolution Mechanisms and Trademark Cybersquatting**

*In ccTLD, Old Style gTLD and New Style gTLD Systems*

*COMPARATIVE ANALYSIS OF THE US, EU AND INTERNATIONAL APPROACHES*

*By*

***Waddah Alrawashdedh***

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University of Szeged

Hungary

***1. Summary of the Dispute Resolution Mechanisms and Trademark Cybersquatting***

The legal protection of trademark has met modern challenges with the incredible growth of Cyberspace. Since the 1990s, the trademarks on the Cyberspace are necessary for doing business fame in the modern commercial world. Nowadays, some commercial companies are seeking to evolve some modern ways of coping with their trademarks by making use of the reputation they obtained in the offline world and transfer such goodwill to the online world. One of the active elements in commerce through the Cyberspace is domain name. A domain name is basically that guides computers to the website that links to the IP address through the Cyberspace. Thus, instead of typing the IP address 192.0.34.65, Internet user can type (www.icann.org), this system, which ensures that there is a unique matching of IP addresses and domain names, is the Domain Name System “DNS”.

Until the date of issuing New gTLD Program, Top-level domains, were divided into two categories; the top-level domain was a generic top-level domain “gTLD”, and a country code top-level domain “ccTLD”. Each of the “ccTLDs” bears a two letters (such as .de, .mx, and .jp) country code, for example; (.hu) for Hungary, (.us) for United State, (.jo) for Jordan. While “gTLDs” is abbreviation to the “generic” TLDs. Each of the “gTLDs” bears a three or more letters (such as .com, .net, and .org). Domain name database is administered by Internet Corporation for Assigned Names and Number (ICANN), which has an exclusive direct strategy control over the gTLDs registration process as policy maker and coordinator regarding gTLDs and assignment of Internet Protocol (IP) addresses to Internet Service Providers (ISPs) through its IANA, which also makes decisions on matters such as delegation of ccTLDs.

However, the trust in trademarks by consumers and, the use of trademarks by companies may become more significant when a trademarked name is registered and used as a company's domain name in ccTLDs, or gTLDs via Cyberspace, consumers identify where to go online to buy product or service from that company. Conversely, the rapid growth of the cyberspace and electronic commerce has imparted about an unprecedented variety of challenges to the classical concept of trademarks statute, the most important of these challenges is domain names and their relation to trademarks.

The challenge comes to the light when infringers register domain names of a trademark, specifically well-known undertakings names, with the purpose to resell. This activity is called “cybersquatting”. Such double function of domain name, as Internet address and distinctive trademark, has created cybersquatting activities. Cybersquatters have been described as “individuals who attempt to profit from the Internet by reserving and later reselling or licensing domain names back to the companies that spent millions of dollars developing the goodwill of the trademark.” For instance, since the birthdate of the cyberspace in the US, this activity has been really become a quandary for the trademark owners as a victims of cybersquatting. “In some cases, the prices that cybersquatters demand for selling domain names are very high. For example, (AltaVista.com) was sold for \$ 3.3 million and (HeraldSun.com) was sold for \$ 2.5 million.” In addition, there are different subcategories of one category “cybersquatting”. Cybersquatting phenomenon may include “Typosquatting”, “Cybersmearing”, and many other subcategories.

However, since the 1990s, law reviews and court recorders were crowded with debates and arguments about how the statute and legislation should arrange the Cybersquatting phenomenon and domain names disputes, specifically in terms of their correlation with trademark law.

Simply because the majority of the countries do not have anticybersquatting statute which enables trademark owners to protect their trademarks against such illegal use. Thus, countries have been moved towards evolving a comprehensive domain name dispute resolution mechanisms to address the disputed domain name, in the context of cybersquatting phenomenon, before the national courts and/or out-court dispute resolution.

The national courts have addressed the problem of cybersquatting by applying traditional trademark infringement and dilution legislations to claims brought by the trademark owner. Filing anticybersquatting claim under traditional trademark law before the national courts has become much more sophisticated, when the cybersquatters register and/or use trademarked names on the cyberspace without any indication to the products or services. As the trademark legislation provides the legal protection of trademarks with reference to the products and services in the course of trade, but it does not provide any protection against such unauthorized use. Accordingly, there are a various approaches applied by the countries. Some countries enacted special domain name legislations, such as France and United State. While some other European countries provide the legal protection against cybersquatting phenomenon based on traditional trademark infringement and unfair competition legislations such, Hungary, Austria, and Germany.

On the other hand, ICANN well addressed the problem of cybersquatting by out-court dispute resolution mechanism. In August 1999, the ICANN adopted a Uniform Disputes Resolution Policy (UDRP). According to the UDRP; the trademark owner must prove that the domain name registered is identical or confusingly similar to a trademark in which the trademark owner has rights, the registrant has no rights or legitimate interests in respect of domain name registered, and the domain name has been registered and is being used in bad faith.

In June 2011, ICANN approved and authorized the launch of the “New gTLD Program”. New gTLD program is the greatest expansion of digital area since the Internet began. The program's aims for enhancing competition and consumer choice, and supporting the benefits of innovation by introduction of new gTLDs besides the old style of gTLDs, such as; .com, .net, or .org. According to the new gTLDs Program, an applicant for a domain name can register a domain name not only within the few generic gTLDs, but may also apply to register an entirely new TLD for ICANN. For instance, if Apple Company is looking to have subdomains for its products or services under the .apple TLD, such as (ipad.apple) or (itunes.apple), which may serve to strengthen its brand and maintain its businesses. Nevertheless, where third parties may apply for domain names within the applied for TLD, the new TLD will be an open registry. Thus, ICANN presented new protection mechanisms to the trademark owners in the pre- and post-delegation phase “New Pre- and Post-Delegation Dispute Resolution Procedures” as a new way for settlement the disputes in new gTLD space.

## ***2. Objectives and Methodology of the Dissertation:***

The goal of my dissertation is to determine the dishonest or abusive use and/or registration of trademarks as an Internet domain name whether in ccTLD, old style gTLD and new style gTLD systems by giving more attention for the trademark cybersquatting in new gTLD system particularly after Internet Corporation for Assigned Names and Number (ICANN) expansion in new gTLD program in 2011.

In my dissertation, I am focusing specifically on cybersquatting phenomenon within the frame of legislations, polices and dispute resolution mechanisms wither before the court or out-court dispute resolution on regional levels in US, EU and international approaches. As it is quite often

the case that the trademark based on domain name disputes, thus this thesis outlines the scope of trademark protection in US, EU and international approaches as background for trademark cybersquatting phenomenon.

My dissertation seek to address the several approaches taken by the US, and EU evolving cybersquatting frame of legislations and dispute resolution mechanisms wither before the court or out-court dispute resolution. In addition, it holds cybersquatting legal system in the Middle Eastern countries, Jordan as a case study. Thus, my study is mainly focusing to embark a comparative legal study of the dispute resolution mechanisms and trademark cybersquatting by analyzing ICANN's Polices, the relevant norms and cases in US, some EU member states, and Jordan.

My study also calls into question, what are the new protection mechanisms for trademark owners in new gTLD system? Thus, my dissertation also proposes to explore new pre- and post-delegation dispute resolution procedures for ICANN's new gTLD system. The pre-delegation phase "Pre-delegation Dispute Resolution", it is a new way for settlement the disputes in new gTLD space, whereas other mechanisms will be applied after the delegation of the gTLD "post-delegation dispute resolution" which are called the Trademark Post-delegation Dispute Resolution Procedure (Trademark PDDRP).

This study utilizes legal method to search and examine about the dispute resolution mechanisms for trademark cybersquatting on regional levels in US, EU and international approaches as well as it have also used the legal normative method within the frame of legislations, polices, judicial decisions, and WIPO cases in order to present a full spectrum of the dispute resolution mechanisms for the trademark cybersquatting wither before the court or out-court dispute.

Taking in to consideration that the new gTLD program have been issued in 2011, thus it is a very new topic as result there were a limited resources regarding trademark cybersquatting in new gTLDs system until the date of writing this dissertation.

### ***3. Hypotheses & Problems of the Dissertation***

1. Since the 1990s, law reviews and court recorders were crowded with debates and arguments about how the statute and legislation should arrange the Cybersquatting phenomenon and domain names disputes, specifically in terms of their correlation with trademark law. Simply because the majority of the countries do not have anticybersquatting statute which enables trademark owners to protect their trademarks against such illegal use.
2. In general, countries such as US, EU, and Jordan from Middle East, have been randomly moved towards evolving a domain name dispute resolution mechanisms to address the disputed domain name, in the context of cybersquatting phenomenon, in the national courts but it did not take in to account the importance to make binding the decisions of the out-court dispute resolution mechanism such as ICANN's service providers as domain name dispute resolution mechanism.
3. Filing anticybersquatting claim under traditional trademark law before the national courts, such US courts or European courts, has become much more sophisticated, when the cybersquatters register and/or use trademarked names on the cyberspace without any indication to the products or services. As the trademark legislation provides the legal protection of trademarks with reference to the products and services in the course of trade, but it does not provide any protection against such unauthorized use.

4. Trademark cybersquatting in new gTLDs space is still a fresh dispute and there are not any precedents in US or EU courts regarding trademark cybersquatting in new gTLDs until the date of writing this thesis. The new gTLD program has released unforeseen and sophisticated a legal troubles. It allowed for the registration of trademarks under TLDs, which created another arena for trademark Cybersquatting, requiring trademark owners to monitor applications for new TLDs to ensure that their rights are not infringed.
5. There has been limited research on comprehensive study of Anti-cybersquatting Acts in Middle East area, which purports to examine the importance of dealing with legal protection of trademark against registered in bad faith a domain name. Select Jordan as an example to show the anticybersquatting legal system from the Middle Eastern countries, “Jordan as a case study”.

#### **4. Conclusion**

The conclusion of this thesis fastens together the various subjects explored in the chapters and states a certain recommendations for improving the anticybersquatting legal system.

##### ***4.1. Summary of the Scientific Results of the Dissertation***

Our study finds the following scientific results as a following:

##### ***4.1.1. Dispute Resolution Mechanisms***

Thus, this study resulted that domain name dispute resolution mechanisms to address the disputed domain name, in the context of cybersquatting phenomenon, could be before the national courts and/or out-court dispute resolution as a following:



#### ***4.1.2. National Courts***

The national courts have addressed the problem of cybersquatting by applying traditional trademark infringement legislations to claims brought by the trademark owner. Generally, the trademark legislation provides the legal protection of trademarks with reference to the products and services in the course of trade, while some cybersquatters might register a domain name as trade mark without any reface for good or services or even use in course in the trade. However, the traditional Trademark legislations do not provide any protection against such unauthorized use. In addition, in some countries the trademarks do not attain any legal protection under trademark legislations without registration. Accordingly, there are a various approaches applied by the countries. Some countries enacted special domain name legislations, such as France and United State. While some other countries provide the legal protection against cybersquatting phenomenon based on traditional trademark infringement and unfair competition legislations such, Hungary, Austria, Germany and Jordan.

#### ***4.1.3. Out-court Dispute Resolution Mechanisms***

The out-court dispute resolution mechanism well addressed the problem of cybersquatting such as, ICANN's UDRP as a model for trademark cybersquatting disputes settlement. According to the (UDRP); the trademark owner must prove that the domain name registered is identical or confusingly similar to a trademark in which the trademark owner has rights, the registrant has no rights or legitimate interests in respect of domain name registered, and the domain name has been registered and is being used in bad faith. The ICANN's UDRP applies to settle the domain name disputes wither in old style gTLDs, new style gTLDs and some ccTLDs. Regarding to the

ccTLDs system, some countries have evolved their own ADR mechanism that are unrelated to the UDRP such as the USA adopted usDRP. While some other did not adopt any ADR mechanism such as Austria then legal action could be filed before Austrian court as a last resolution.

### ***European Union***

The EU Regulation 874/2004 of 28 April 2004, which deals only trademark cybersquatting in (.eu) ccTLDs. Similar to the ICANN's UDRP Policy, the Regulation pursues the tactic of ICANN's UDRP Policy, as any disputes regarding (.eu) ccTLDs are subject to the (.eu) "ADR Rules").

#### ***4.1.4. New gTLD Style***

The author also found that the new gTLD program has released unforeseen and sophisticated a legal troubles. It allowed for the registration of trademarks under TLDs, which created another arena for trademark Cybersquatting, requiring trademark owners to monitor applications for new TLDs to ensure that their rights are not infringed. Thus, ICANN sets up newly advanced out-court dispute resolution mechanisms to assist trademark owners in preventing third parties from registering their trademarks under a new gTLD. The new protection mechanisms are now available to the trademark owners in the pre-delegation phase "Pre-delegation Dispute Resolution" by DRSPs, as a new way for settlement the disputes in new gTLD space, whereas other mechanisms apply after the delegation of the gTLD "Post-delegation Dispute Resolution", which is called the Trademark Post-delegation Dispute Resolution Procedure (Trademark PDDRP). In fact, the ICANN's new gTLDs Program has shown pros and cons. On one hand, it has created another cadre for trademark disputes, requiring trademark proprietors to monitor and

observe the abusive new gTLD to ensure that their rights are not infringed. On the other hand, some authors argue that the new gTLD process is, complex, expensive and time consuming, and might be considered nothing more than an unwanted problem by some trademark holders.

#### ***4.5. Jordan as a Case Study***

This study also found that the Jordanian legislator had constructed a well-based mechanism that aims to control registration and use of trademarks. The online source identifier shall be regulated as well via the cyberspace, particularly, in the light of the notable evolution of Internet usage in Jordan, besides the advanced position that Jordan has acquired as a civilized country in dealing with legal aspects of technological matters by enacting the Electronic Transactions Law No. 15 for the year 2015 and Information Systems Crimes Law No.30 for the year 2010.

#### ***5. Recommendations***

To sum up, a harmonization of the legislation governing domain names disputes is needed on the global stage. It needs more efforts to obligate all the countries to admit a uniform anticybersquatting legal system such as:

- Determine what is confusingly similar between domain name and trademark, either before the national courts and/or out-court dispute resolution, as there is no any international agreement or convention rules the anticybersquatting legal system.
- National Judges shall be trained on resolving domain names disputes, and how to deal with such disputes. This could be achieved by periodically attending international workshops and seminars to become familiar with combining the law and the technology to provide the maximum protection of trademarks via cyberspace under the umbrella of ICANN.

Finally, despite the fact that ICANN is based in the U.S., it is purely a doorkeeper for cyberspace and should continue to attend that role. It could be said that the flexible law reviews and court recorders which regulate the anticybersquatting legal system has reached the limits of its variations, as a result the norms which rule the domain names, especially anticybersquatting legal system, should be regulated commonly and amended in future periodically under global stage in order to adapt to new technological advances on international stage. While there is no commonly agreed detailed agreement governing domain names disputes, trademark owner might take advantage of dispute resolution mechanisms wither before the national court and/or out-court dispute resolution such as ICANN's UDRP.

## **6. Publications & Conferences**

### **Book:**

- Book under title “*Electronic Contract & Electronic Signature*”, ISBN 978 - 9957 – 91-296 – 3, 1st ed., Darwael Publisher, 2015, P 295.

### **Proofread professional Paper / Publications:**

- “*Dispute Settlement of Domain Names under Uniform Disputes Resolution Policy (UDRP)*”, FORVM Publication Doctorandorum Juridicorum, Szeged, Hungary, 2015. PP.199-212.
- “*Criteria for Determining whether a Trademark is Well-known*”, Doktori Muhelytanulmányok, Széchenyi István University, Postgraduate, Doctoral School of Law and Political Sciences, Győr, Hungary, 2016. Paper accepted, under publication process.
- “*The Role of Jurisprudence in Addressing Commercial Dispute in Jordanian Courts under Jordanian Commerce Law no. 12 for the year 1966 and its Amendments*”, Doktori Muhelytanulmányok , Széchenyi István University, Postgraduate, Doctoral School of Law and Political Sciences, Győr, Hungary, 2015. Paper accepted, under publication process.
- “*The Legal Protection of Trademark under Jordanian Trademark Law No. 33 of 1952 as amended*” Tanulmánykötet. Fiatalok Európában. III. Fiatalok Európában Konferencia Pécs, 2016. November 04-05. E-mail: feu@sopiana.com Honlap: fiatalokeuropaban.hu Kiadó: Sopiana Kulturális Egyesület Szerkesztette: Haffner Tamás, Dr. Kovács Áron ISBN 978-615-80444-4-8 (nyomtatott) ISBN 978-615-80444-5-5 (elektronikus), pp.205-218. For more information: [http://www.fiatalokeuropaban.hu/wp-content/uploads/2017/06/FEU-Konferencia-ko%CC%88tet-2016\\_online.pdf](http://www.fiatalokeuropaban.hu/wp-content/uploads/2017/06/FEU-Konferencia-ko%CC%88tet-2016_online.pdf)

- ***“The Role of the Judiciary in the Enforcement of Arbitral Awards in Jordan”***, Pécs Journal of International and European Law, Pécs, Hungary, 2016.2017. PP.49-57.  
For more information: [http://ceere.eu/pjiel/wp-content/uploads/2017/07/201701\\_05.pdf](http://ceere.eu/pjiel/wp-content/uploads/2017/07/201701_05.pdf)
  
- ***“Employing workers in Jordan”***, **“Doing Business 2008”**, World Bank Organization, Washington, DC, USA, 2008. (Co-author. p.129.) For more information: <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB08-FullReport.pdf>

**Conferences / Professional Scientific Lecture:**

- ***“The Peculiarity of Jurisprudence” Conference***, Széchenyi István University, Postgraduate, Doctoral School of Law and Political Sciences, Győr, Hungary, (Széchenyi István Egyetem, Deák Ferenc Állam- és Jogtudományi Kar, Állam- és Jogtudományi Doktori Iskola, (A jogtudomány sajátossága), Győr, 2015. December 11) my professional scientific lecture was under title:

***“Criteria for Determining whether a Trademark is Well-known”***

- The *International Conference of Young Scholars* was organized for the twentieth time in the capital of the Czech Republic on the 26-27<sup>th</sup> of May 2016. My professional scientific lecture was under title:

***“National Protection of Trademark under Jordanian Trademark law”***

- *Cofola Conference 2016*, Masaryk University / faculty of law, Czech Republic, 2016, my professional scientific lecture was under title:

***“The Role of the Judiciary in the Enforcement of Arbitral Awards in Jordan”***

- *“The Peculiarity of Jurisprudence” Conference*, Széchenyi István University, Postgraduate, Doctoral School of Law and Political Sciences, Győr, Hungary, (Széchenyi István Egyetem, Deák Ferenc Állam- és Jogtudományi Kar, Állam- és Jogtudományi Doktori Iskola, (A jogtudomány sajátossága), Győr, 2015. December 11). My professional scientific lecture was under title:

***“The Role of Jurisprudence in Addressing Commercial Dispute in Jordanian Courts under Jordanian Commerce Law no. 12 for the year 1966 and its Amendments”***

- *Young People European Conference / Fiatalok European Konferencia” Conference 2016*, University of Pecs, Pecs, Hungary, my paper was about

***“The legal Protection of Trademark under Jordanian Trademark Law no.33 of 1952 as Amended”***

- *Right without Borders Conference*, University of Szeged State and Law, (Jog határok nélkül KONFERENCIA A Szegedi Tudományegyetem Állam- és Jogtudományi Kar Doktori Iskolájának szervezésében), Szeged, Hungary,

***“Domain Names vs. Trademark Conflicts under the ICANN’s New gTLD System”***

- *World Intellectual Property Organization (WIPO) Conference* was organized in the capital of Jordan. “WIPO seminar” January, 2004 (Law school /University of Jordan). My professional scientific lecture was under title:

***“Legal Protection of Trade Secrete in Jordan”***

- Defense Institute of International Legal Studies (DIILS) for contribution in the "Legal Aspects of Defense Support of Civil Authorities (LADSCA) course", in New Port, USA. My professional lecture was under title:

***“The Legal Role of Jordanian Civil Authorities”***

- *Institutions for Iraq Conference*, was organized in the capital of Jordan, by American Bar Association for contribution in the March, 2004, Hyatt Amman Hotel, Jordan.
- *Law & Woman Conference*, was organized in the capital of Jordan, by American Bar Association for contribution in the March, 2004, Hyatt Amman Hotel, Jordan.