



Sunrise period to ".XXX empty"

Today marks the beginning of the "Sunrise" period to opt out of the new .xxx domain name. ICANN, the not-for-profit corporation that manages the domain name system, has accepted .xxx as a new sponsored generic Top-Level Domain name (gTLD) to be operated by ICM Registry. The new gTLD was approved last March, and a few .xxx addresses have already gone live on the Internet to garner interest for the Sunrise period when interested parties can register through a "Sunrise A" process.

For businesses that don't operate "adult" websites, there is a "Sunrise B" process, during which they can apply to prevent their trade-marks from being incorporated into .xxx domain names. The cost of doing so is not, however, inexpensive and trade-mark owners will have to carefully consider the extent to which they want to pay to have their trade-marks protected.

The 52-day Sunrise period commences today, September 7th, 2011, and finishes October 28th, 2011.

Why should I consider participating?

For a one-off fee of between \$300 and \$350 USD, the Sunrise B process allows a trade-mark owner to prevent its trade-mark from being registered as a .xxx domain name. This opportunity will only be available during the Sunrise period. This pre-emptive option is advertised as being less difficult, expensive and time consuming than it would be dealing with an IP conflict after the general launch.

When a Sunrise B applicant is successful, the domain name will no longer be available for registration in the future, and it will "resolve" (redirect traffic) to a plain page which will indicate that the domain is reserved from use through ICM's rights protection program. This "resolving" of the domain name is intended to prevent "synthetic DNS" or non-DNS resolution systems from hi-jacking queries to these domain names.

The Sunrise B applicant will not have registered the domain name in its name or have obtained any additional rights. Standard registry contact details will be contained within the domain WHOIS record, and ICM will be stated as the owner.

Who is eligible?

Anyone who has a registered trade-mark may apply during Sunrise B to opt out – applications will not count.



The entire text of a registered trade-mark must be in the exempted domain name. In the case of a trade-mark registration that has a design component, the complete textual component must be applied for in the exemption and will be protected, provided such a component qualifies for protection by the rights conferred by registration of the mark.

How much will it cost?

Although ICM is responsible for administering the .xxx domain name registry, the registration and exemption process will be handled by a select number of ICANN accredited registrars. The individual registrars will set their own one-off fee to exempt. Webnames.ca is a Canadian registrar that appears on ICM's approved list.

The costs are expected to be in the \$300-350 USD range, with no annual fees. For example, Webnames.ca offers a one-time non-refundable fee of \$349 USD.

Of concern, each variation of a registered trade-mark must be submitted and paid for as a separate request. When there is more than one Sunrise B applicant with a qualified claim to a domain name, ICM will exempt the domain name but will not refund or apportion fees among the applicants.

What remedies are there if there is a conflict or if I don't participate?

Sunrise A applicants, members of the adult entertainment community, will be given priority to register domain names over the requests of Sunrise B applicants. .xxx domain name owners will also be notified of a Sunrise B applicant's interest in the domain name and be given the opportunity to withdraw. Consequently, they will not be able to claim lack of notice of a trade-mark owner's rights in a subsequent dispute.

If a Sunrise A applicant takes priority or if an IP owner chooses not to participate in the opt out, there are still several different methods to resolve disputes or prevent abusive use of a domain name. All registrants of domains must adhere to ICANN's Uniform Domain Name Dispute Resolution Policy ("UDRP"), and the option for litigation remains as well. Also, the Charter Eligibility Dispute Resolution Procedure will be available to challenge any registration by an entity that is not a member of the sponsored community and therefore not qualified to register a resolving name in the .xxx gTLD.

In addition, ICM will implement a Rapid Evaluation Service (RES), where independent experts will make determinations, in certain cases within 48 hours, for claims involving well-known or inherently distinctive marks. A complaint under RES would be submitted directly to a National Arbitration Forum provider, which would select a qualified and eligible evaluator, as well as set forth rules, a fees schedule and other technical and process requirements for the dispute, subject to the approval of ICM. If a complainant is successful under RES, the registration will be cancelled and the name servers re-assigned to the Registry and re-directed to a webpage signifying such de-activation. The RES, however, is not preclusive of other available administrative or judicial remedies.

Is it worth it?

The Sunrise B process provides a mechanism favourable to ICM, which profits from the one-off fees. The process may become quite costly to companies with large trade-mark portfolios. Also, the high annual fees for .xxx domains combined with the RES may make the risk of cybersquatting lower than with other gTLDs. However, in the event a conflict does occur, the option is still less expensive than other avenues such as a UDRP or litigation, the former which can cost over a thousand dollars for a single domain name, and the latter which can cost much more than that. IP owners should carefully gauge the risk and the importance of preventing association with the .xxx domain name to their company before deciding which option to choose.