

## **Trademark Owners Should Plan for the Arrival of .XXX Domain Names**

**July 18, 2011**

In April 2011, the Internet Corporation for Assigned Names and Numbers (ICANN) authorized the creation of a new .xxx sponsored top-level domain (sTLD) for the adult entertainment industry. (sTLDs are designed for members of a specific community.) Initially, an adult entertainment company will need to show some prior rights in a mark before it can obtain a corresponding .xxx domain name for its mark. Later, however, such limitations will fall away and any available term may be registered as a .xxx domain name. **Beginning on September 7, 2011, owners of trademark registrations can prevent their marks from being registered as .xxx domain names through a mechanism referred to as “Sunrise B.”**

To take advantage of Sunrise B, a party must own a valid trademark registration in a jurisdiction where the party has engaged in substantial bona fide commercial activities. The cost of blocking the registration of a .xxx domain name during Sunrise B will be approximately US\$200 to US\$300. Once blocked, the .xxx domain name in question will not be available for registration for a period of 10 years. The blocked .xxx domain name will be “reserved” from registration and will take readers to a standard page that indicates that the domain name has been blocked from use. In addition, the WHOIS report (i.e., the domain name title record) for this domain name will only identify the ICM Registry, the authorized registry for .xxx, as the registrant.

ICM Registry has stated that it is only offering trademark owners this one opportunity to block the registration of .xxx domain names that correspond with their registered trademarks. After that, trademark owners would need to bring an infringement, dilution, cybersquatting, or similar claim to try to stop use of a .xxx domain name that incorporates their marks. Such proceedings, whether in court or pursuant to a Uniform Domain Name Dispute Resolution Policy proceeding, would obviously be more expensive than using Sunrise B, and would have a far less certain outcome.

**Sunrise B is scheduled to begin on September 7, 2011, and will run for 30 days, closing on October 7, 2011.**

For those in the adult entertainment industry, during the same time period there will be a mechanism known as “Sunrise A,” where members of this sponsored community may register .xxx domain names that directly correspond with their registered trademarks or with their preexisting second-level domain names in an existing top-level domain (e.g., .com, .net), as long as the latter existing top-level domain was registered prior to February 2010. Sunrise A, like Sunrise B, will close on October 7, 2011.

Beginning on December 6, 2011, .xxx domain names will become generally available to any party on a first-come, first-served basis. Accordingly, starting on that date, anyone can register a .xxx domain name that corresponds with any term, including another party's registered trademark. Domain names that are registered by parties that are not members of the sponsored community (i.e., the adult entertainment industry) will be blocked from resolving to a website. However, it remains unclear how easy or difficult it will be for such registrants to make their .xxx domain names functional. Even if they remain nonfunctional, there may be a willing buyer in the adult entertainment industry who, under ICM Registry rules, could use such domain names unimpeded (until challenged in a legal proceeding by the trademark owner).

If you have any questions or would like help with .xxx domain names, please contact any of the following Morgan Lewis attorneys:

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