

Intellectual Property Client Service Group

To: Our Clients and Friends

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Protecting Trademark Owner Rights Under The New .XXX, Adult Entertainment Sponsored Top-Level Domain

Approval of .XXX Sponsored Top-Level Domain

After years of debate, the Internet Corporation for Assigned Names and Numbers (ICANN) has approved the sponsored top-level domain (sTLD) .xxx. Unlike generic top-level domains (gTLDs) (*e.g.*, .com, .net, .info), which can be registered by anyone, sTLDs are specialized domains limited to members of a specific community or specific content, based on industry, technical, or other themes (the "Sponsored Community"). Examples of sTLDs include: .gov for governmental entities in the United States; .edu for post-secondary educational institutions; and .aero for members of the air-transport industry.

The Sponsored Community for .xxx is the adult entertainment industry. Nevertheless, the new sTLD is expected to have a broad impact on all brand owners in a way that previous sTLDs have not. The U.S. Government registering YourTrademark.gov may seem unlikely and in any event have limited impact on the value of your brand. A domain devoted to the adult entertainment industry, on the other hand, is perceived by many as more likely to result in "squatters" of YourTrademark.xxx, and the content of such sites to have a much greater impact on the public perception of brands. If you are not among the Sponsored Community, how can you register your mark or otherwise ensure that a domain name incorporating your mark is not registered, thereby potentially tarnishing your mark through the site's content?

ICM Registry, the controlling organization behind the .xxx sTLD, is instituting a unique process to allow trademark owners to protect themselves against both infringement and tarnishment. For a one-time fee, which is currently thought to be in the range of \$200-\$300 and would be paid to an ICANN accredited .xxx registrar, trademark owners can apply to prevent their marks from being registered by members of the Sponsored Community. This type of registration permanently removes YourTrademark.xxx from the pool of domain names available for registration by members of the Sponsored Community.

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Sunrise Period

During a Sunrise Period, which runs from September 7 through October 28, 2011, trademark owners are given priority in registering domain names with the .xxx sTLD. During this period, members of the Sponsored Community with verifiable trademark rights may apply to register their trademarks as .xxx domain names (referred to as “Sunrise A”). Also during this period, however, non-members of the Sponsored Community may opt-out of the registration system, ensuring that their trademarks are removed from the pool of available domain names within the .xxx sTLD (referred to as “Sunrise B”). The key elements of Sunrise B are:

- Ownership of Registered Mark: A Sunrise B applicant must at least meet the following criteria to block the use of its trademark as .xxx a domain name: (1) the applicant must own a registered trademark or service mark of national effect (as opposed to rights acquired through use and reputation); and (2) the registration must have issued prior to September 1 (so that a pending application is not sufficient).
- Exact Similarity with Trademark or Service Mark: The Sunrise B applicant can block only an “exact match” of its trademark or the complete textual component of its design mark. Thus, if a trademark consists of two words, the Sunrise B applicant may wish to apply for corresponding domain names with no space or with a hyphen between the two words. For example, to obtain broader protection for trademark XYZ 123, a Sunrise B applicant may wish to register both XYZ123.xxx and XYZ-123.xxx.
- Successful Registration of Trademark by Sunrise B Applicant: A competing Sunrise A application is given priority over a Sunrise B application. Subject to no such Sunrise A application, a successful Sunrise B application will then eliminate the registered trademark from the pool of available domain names under the .xxx sTLD. The registered Sunrise B trademark will resolve to an informational page indicating that the address is unavailable for registration.
- Multiple Sunrise B Applicants with Same Name: If two or more Sunrise B applicants register the same name, the name will be reserved in the same manner as a single, successful Sunrise B. Each Sunrise B applicant will still be required to pay the full registration fee.

Land Rush Period and General Availability

After the Sunrise Period, ICM Registry will begin a Land Rush Period, during which members of the Sponsored Community can register domain names in which they do not own trademark registrations. Thereafter, the .xxx sTLD will enter a General Availability phase. Domain names will still be limited to members of the Sponsored Community. However, non-members may apply to block their trademarks from the .xxx sTLD during General Availability, provided the corresponding domain names are still available.

Conclusions

Trademark owners who wish to protect their brand and image will have the opportunity to remove their marks from the pool of available domain names under the .xxx sTLD for a one-time fee, now estimated at \$200-\$300, during the Sunrise Period, September 7 through October 28, 2011. Trademark owners may also block their marks during the General Availability phase, provided their marks are still available as domains. Complete registration rules are available at <http://www.icmregistry.com>.

To discuss this new process under ICANN, or for information about the current domain name practice, please contact any of the following members of Bryan Cave's [Intellectual Property Client Service Group](#):

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