

September 6, 2011

XXX Domains: Prevention is Better than the Cure

Brand owners should be wary of the launch of the new .XXX top-level domain, scheduled for implementation in December 2011. While Internet Corporation for Assigned Names and Numbers (ICANN) intended the new .XXX domain to host adult entertainment websites, there is growing concern that trademark owners may face the threat of unscrupulous individuals using the registered trademarks of others at a .XXX domain site. Although the implication of waking up one day to discover a website with YOUR_BRAND.XXX is frightening, trademark owners have the opportunity to block their marks from use with a .XXX domain if they take appropriate preventive action now.

ICM Registry, LLC (ICM), the host of the .XXX domain, will launch a 52-day “blocking” period beginning on September 7, 2011, for trademark owners to register their existing trademarks and thereby block these marks from being used in conjunction with a .XXX domain. The trademark owner will not become an owner of a .XXX domain under this system. The so-called Sunrise B opt-out period will be available to owners of federally or foreign registered trademarks that are registered as of September 1, 2011. Under the provisions of Sunrise B, state registrations, common law marks, and business names are not eligible for registration. Additionally, Sunrise B will only allow trademark owners to block their exact trademarks but not similar marks.

The procedure to block a .XXX domain under Sunrise B requires an applicant to complete an application and provide trademark registration details. A one-time fee of \$250 to \$300 will be required to obtain a registration block that will last for 10 years. The exact procedures and details for Sunrise B applications are not available at this time, but applications under Sunrise B will be handled by ICM (<http://www.icmregistry.com/>). An applicant that successfully “blocks” its trademark from being used with a .XXX domain will not then own a .XXX domain. Rather, the domain will be removed from the pool of available .XXX domains, and a WHOIS lookup will result in a notice that the domain name is not available for registration.

Sunrise A, which will run concurrently with Sunrise B, will permit adult entertainment site owners to register their .XXX domains. To qualify, a site owner must either own an active registered trademark or own a domain in another top-level domain (TLD). If both Sunrise A and Sunrise B applicants seek the same domain name, priority will be given to Sunrise A applicants.

For those unable to qualify under Sunrise A, a “landrush” period begins on November 8, 2011, for those seeking to secure a .XXX domain name. There are no trademark or pre-ownership rights required during the landrush, and applicants will likely have the opportunity to bid on premium .XXX domain names.

General registration of .XXX domain names will begin on December 6, 2011. After Sunrise B and once the general registration period begins, the only way for a trademark owner to pre-emptively “block” its mark from being used with a .XXX domain will be to purchase the .XXX domain name and have this domain redirect to the appropriate website. This situation may be less desirable for a trademark owner, however, because a WHOIS lookup performed on the .XXX site would reveal the trademark owner as the owner of the .XXX site. Of course, other protections will still be available to trademark owners who realize that their marks are being used with a .XXX domain, including procedures under the Uniform Domain

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Name Dispute Resolution Policy (UDRP). However, proactive blocking of .XXX domains is likely a more cost-effective means to prevent a registered mark from becoming associated with a .XXX domain.

Additionally, under the rules of the new .XXX domain name framework, abusive registrations will be closely monitored. All registrants of .XXX domain names will be required to agree to dispute resolution proceedings, including the Charter Eligibility Dispute Resolution Procedure (CEDRP), the Rapid Evaluation Service (RES), and ICANN's UDRP-Resolution Policy. The RES facilitates a prompt remedy to address cases of clear abuse of (1) well-known, distinctive trademarks of significant commercial value; or (2) personal or professional names of individuals. The National Arbitration Forum will resolve all disputes under the CEDRP and RES procedures.



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