

## New Internet Domains Are Coming ... What You Should Do

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The Internet Corporation for Assigned Names and Numbers (ICANN), the entity responsible for management of the Internet domain name system (DNS), has approved major changes in the system of top-level domains (TLDs) that will lead to the approval of potentially thousands of new domains. (Please see our June 22, 2011, Advisory.) ICANN has also given final approval to a sponsored domain for the adult entertainment industry, .xxx.

Historically, only a limited number of general use TLDs have been used across the Web, the best known of which are .com, .net, and .org. Country code TLDs also exist, many of which also have been used generally without regard to the nationality of the registrant (e.g., .tv). As discussed in our June Advisory, ICANN's action will permit new applicants to propose almost any name or brand to become a top-level domain (e.g., .google or .pizza), and it will begin taking applications in January 2012. The sponsored .xxx domain will open this fall, but use of the .xxx TLD is limited to members of the "Sponsored Community" who provide adult-oriented content and related services.<sup>1</sup>

While adult-oriented website operators may be interested in reserving spots in the .xxx TLD, other companies (principally, non-adult-oriented companies) may be just as eager to prevent their marks from being used in that domain or otherwise associated with adult content. Under policies adopted by ICM Registry, those who own registered trademarks will have an opportunity to reserve .xxx domain names to prevent others from using their marks in the .xxx TLD.

**Sunrise periods.** The .xxx TLD will be operated by ICM Registry, although specific domain name reservations will be made through *registrars* authorized by ICM. Beginning Sept. 7, 2011, there will be a 30-day "sunrise" period during which adult-oriented website operators will be able to register their marks and domain names in the .xxx TLD. During the so-called "Sunrise A" period, each member of the Sponsored Community can reserve as many as 10,000 .xxx domain names, so long as they match either a registered mark or an existing domain name owned by that entity in another TLD such as .com. Existing domain names must have been registered prior to February 1, 2010 to qualify for Sunrise A registration.

Simultaneously, there will be a "Sunrise B" period during which non-adult-oriented trademark owners can file to block use of their marks, so long as those marks are nationally registered in the United States or any other country. For example, Google could secure a domain reservation for google.xxx to prevent an adult-oriented company from actively using that domain name. In registering defensively, the trademark owner would not gain use of the .xxx website, but rather would merely ensure that no one else could use it for an adult-oriented website. Companies will not be able to prevent use of unregistered marks, misspellings of registered marks, or mere domain names during the Sunrise B period.

**Dispute resolution.** If both Sunrise A and Sunrise B applicants apply for the same name, the Sunrise A applicant will have an opportunity to withdraw its application for that domain name. If the Sunrise A applicant chooses to go forward and register the domain name, it will be allowed to do so, subject to a subsequent dispute resolution proceeding initiated by the Sunrise B applicant. In that subsequent proceeding, the Sunrise A applicant will not be able to claim lack of notice as a defense. If no Sunrise A applicant applies for the same domain name as a Sunrise B applicant, that domain name will be blocked from further use in the .xxx TLD.

**Significance.** It will be extremely beneficial for trademark owners to reserve their registered marks during the Sunrise period if they do not want to see those marks used by others as domain names in the .xxx TLD for an adult-oriented website. This is especially true since the next registration period, the so-called “Landrush” period beginning Oct. 24, 2011, will allow members of the Sponsored Community to apply for any .xxx domain names unclaimed during the A/B Sunrise period. During the Landrush period, there will be no simultaneous opportunity for others to defensively block use of their marks or names in the .xxx TLD.

Owners of unregistered marks or those who simply miss the Sunrise period will still be able to take advantage of various dispute resolution measures such as the Uniform Domain Name Dispute Resolution Policy (UDRP) to recover domain names registered in the .xxx TLD. Owning a prior registered or common law mark could well be grounds for recovery of a similar .xxx domain name in a UDRP proceeding, but UDRP proceedings generally cost \$5,000 to \$10,000 to prosecute. By contrast, the simple reservation of registered marks during the Sunrise B period beginning in September—the cost of which is estimated at between \$200 and \$500 per domain name—could avoid needless cost and effort later on.

For more information on this important development, or its potential impact on your business, please contact your DWT attorney.

## FOOTNOTE

1 The adult-oriented industry is referred to as the “Sponsored Community,” and consists of the online adult entertainment industry as well as those who supply products or services to that industry, and their representatives.

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