



MBHB snippets Alert

October 14, 2011

The .XXX Top Level Domain: What Do I Need to Know Now?

By: Christina Brown and Chris Butts

I. BACKGROUND

With the growth of the Internet at the end of the twentieth century, so came the growth (perhaps unsurprisingly) of the amount of adult content available on the Internet. In fact, the amount of adult content on the Internet became so great that in 2000, Florida-based ICM Registry (ICM)¹ submitted a proposal to the Internet Corporation for Assigned Names and Numbers (ICANN) proposing a .XXX top-level domain (TLD) as a way to consolidate such content on the Internet.² The proposal was met with both significant support and resistance.³ Indeed, during a public comment period regarding the proposed .XXX TLD in 2005, nearly 2000 comments were received.⁴ Proponents of the .XXX TLD claim it will make the Web safer by identifying all adult-content websites under one TLD, all of which can then be blocked by parents, schools, and the like; however, opponents claim it will create a virtual red light district, and encourage the undesirable dissemination of adult content.⁵

Throughout the approximately ten-year period from late 2000 to mid-2011, ICM made multiple proposals to the ICANN Board, initially requesting that the .XXX domain be an unsponsored⁶ TLD, and later requesting that the .XXX domain be a sponsored⁷ TLD. A number of ICM's proposals were not accepted, based on technical insufficiencies in the agreement between ICANN and ICM, questions regarding whether certain sponsorship criteria had been met, and public policy issues.⁸ In March 2011, however, ICANN and ICM entered into a Sponsored TLD Registry Agreement for the operation of the .XXX TLD,⁹ whereby ICM is the "registry operator" for the .XXX domain.¹⁰ Subsequently, ICM has entered into contracts with a number of companies that will serve as "registrars," which are the companies through which .XXX domains can be registered or blocked.¹¹

II. THE .XXX DOMAIN REGISTRATION AND BLOCKING PROCESSES

The .XXX TLD entered into a “Sunrise period” on September 7, 2011, which ends on October 28, 2011. The .XXX TLD enters into a “Landrush period” on November 8, 2011, which ends on November 25, 2011. Following the “Landrush,” general availability of .XXX domains begins December 6, 2011.

a. The Sunrise Period

During the Sunrise period, .XXX domains may be registered (for use) or blocked (to prevent use) by individuals or entities that are able to assert an interest in the domain.¹² The currently-open Sunrise period consists of two general, and concurrent, tracks: (1) Sunrise A, whereby applicants from within the adult-content Sponsored Community¹³ may register .XXX domains for use based on a registered trademark or an existing domain name in another TLD,¹⁴ and (2) Sunrise B, whereby applicants from outside the adult-content Sponsored Community may block .XXX domains from use based on a registered trademark.¹⁵

Sunrise A applicants must complete the Membership Application Process¹⁶ to become a member of the Sponsored Community within 5 days of the close of the Sunrise period.¹⁷ Under the Sunrise A process, applicants in the adult-content Sponsored Community who own an existing trademark or domain name registration can submit a Registration Request¹⁸ that will then be subject to a validation process to ensure the applicant has provided all required data and has met other requirements.¹⁹ At the conclusion of the Sunrise A period, requested domain names will be distributed to respective applicants. If a domain name is requested by more than one applicant, the domain name will be awarded by an auction.²⁰ (One early auction was recently conducted for the domain “gay.XXX”, which sold for \$500,000). .XXX domains may be registered for a period of no less than one (1) year and no more than ten (10) years.²¹

Sunrise B applicants, on the other hand, seek to block (“reserve”) a domain name corresponding to a registered trademark.²² The domain will not actually be “registered” but will be simply blocked from others’ use. The blocked domain will resolve to a standard informational page reflecting the status of the name as reserved.²³ Sunrise B Applicants must pay a non-refundable fee, and the block of the domain will be permanent.²⁴ If a domain is requested to be blocked by more than one Applicant, the domain will simply be blocked (without refund of fees).²⁵

Applicants, whether Sunrise A or Sunrise B applicants, who submit a request to register or block a domain based on a registered trademark must provide: the trademark name, the country of registration, the registration number, the application and registration dates, the registration classes, and the applicant's status (as owner, licensee, or assignee of the subject mark).²⁶ Further, the subject domain must correspond *exactly* to a textual registered trademark (or to the complete textual component of a graphical registered trademark).²⁷

b. Landrush and General Availability

During "Landrush," from November 8, 2011 to November 25, 2011, members of the Sponsored Community will have the opportunity to submit Registration Requests for available .XXX domain names (those not already registered, blocked, or otherwise restricted).²⁸ Competing Registration Requests will be allocated via auction.²⁹ Thereafter, during General Availability, which opens December 6, 2011, members of the Sponsored Community may apply to register .XXX domain names on a first-come first-served basis; those who are not members of the Sponsored Community may apply on a first-come first-served basis to register nonresolving .XXX domain names which correspond to their personal names or to other words in which they have a legitimate interest.³⁰

III. SPECIAL QUESTIONS

As can be seen from the above, holders of trademark and other, related interests have a variety of hurdles to navigate, in route to successfully blocking, or conversely obtaining, an .XXX domain. The following questions and answers may be of particular interest to those considering whether to take any action with respect to the new .XXX TLD.

- **If I have a federally-registered trademark, am I guaranteed to get the corresponding .XXX domain name?**

Not necessarily, because multiple legitimate trademarks can exist in different jurisdictions for the same word. Thus, more than one party may have a legitimate claim to a particular .XXX domain name. Nonetheless, trademark owners are generally offered protection via a myriad of dispute resolution options that are designed to prevent the abusive registration of domains in any TLD.³¹ Validation and name allocation processes have also been put in place to help ensure that domain names are registered to appropriate parties, and special procedures have been adopted to resolve certain disputes over .XXX domains.

- **I do not provide adult content; why should I care about .XXX domains?**

Very simply, the best way to ensure that one's trademark is not associated with an .XXX domain is to pre-emptively block the trademark from registration as an .XXX domain. Ultimately, the decision whether to block an .XXX domain name is a decision that must be made by individual parties.

- **May I rely on my supplemental registration, or my pending trademark application, or my state or common law trademark, to block the corresponding domain?**

No, only valid, existing trademark registrations (US or foreign) issued prior to September 1, 2011 are eligible.

- **Should I be concerned with the Sunrise period? Can't I register and/or block a .XXX domain at some point in the future?**

As noted above, it is not necessarily the case that a registered trademark will guarantee that a party gets the corresponding .XXX domain name. Once the general availability period is open, registration and blocking will be conducted on a first-come first-served basis, with no pre-emptive rights protection in place. By taking advantage of the Sunrise period, trademark owners can ensure the highest probability of registering or blocking desired .XXX domains. While dispute resolution procedures will be available to challenge abusive registrations, when it comes to the .XXX TLD, it is clear that an ounce of prevention is worth a pound of cure.

Christina L. Brown, an MBHB partner, has twenty years of experience in all areas of intellectual property, with substantial first chair litigation experience. She has represented clients in litigation in the patent, trademark, copyright, and trade secrets arenas, acting as trial counsel in both bench and jury trials. Ms. Brown has broad experience in appellate proceedings, including litigation before the U.S. Court of Appeals for the Federal Circuit. brownc@mbhb.com

Christopher D. Butts, an MBHB associate, prepares and prosecutes patent applications, conducts legal research, and provides technological advice in support of validity, infringement, and patentability analyses, and litigation matters for universities and high-tech companies in the electrical engineering field. butts@mbhb.com

¹ See <http://www.icmregistry.com/>.

² More information regarding the relationship between ICANN and ICM, including the history of the .XXX roll-out, can be found at <http://www.icann.org/en/tlds/agreements/xxx/history-icm-involvement-31mar11-en.pdf>.

³ ICANN, Delegation of the .XXX top-level domain (hereinafter, “Delegation of the .XXX top-level domain”), at 4, available at <http://www.iana.org/reports/2011/xxx-report-20110407.pdf>.

⁴ *Id.*

⁵ See <http://blog.internetsafety.com/2010/03/16/why-the-xxx-domain-wont-end-or-save-the-world/> (also noting “[w]ithout some sort of mandate that sites that feature adult content abandon their .com domains in favor of the more explicit .xxx domain, the proposal does absolutely nothing as far as making the web safer for anyone”).

⁶ Meaning, generally, that any Applicant may register a domain. Delegation of the .XXX top-level domain, at 1.

⁷ Meaning only a narrow community of Applicants may register a domain. Delegation of the .XXX top-level domain, at 1.

⁸ Delegation of the .XXX top-level domain, at 3-6.

⁹ The Registry Agreement can be found at <http://www.icann.org/en/tlds/agreements/xxx/xxx-agreement-31mar11-en.htm>. Additional information regarding the Registry agreement can be found at <http://www.icann.org/en/tlds/agreements/xxx/>.

¹⁰ See <http://www.icmregistry.com/>.

¹¹ To become an .XXX registrar, the prospective registrar must be ICANN Accredited. See <http://www.icmregistry.com/registrars/become/>. Information on ICANN's accreditation process can be found at <http://www.icann.org/en/registrars/accreditation.htm>. The standard Registry-Registrant Agreement is available at <http://www.icmregistry.com/policies/registry-registrant-agreement/>. A list of ICANN-accredited registrars for the .XXX TLD is available at <http://www.icmregistry.com/registrars/>.

¹² See, *generally*, <http://www.icmregistry.com/launch/sunrise-a/>; <http://www.icmregistry.com/launch/sunrise-b/>.

¹³ The “Sponsored Community” consists of individuals, business entities, and organizations that provide online adult entertainment, represent providers, and/or provide products or services to providers and representatives. See <http://www.icmregistry.com/about/sponsored-community/>; see also .XXX Launch Plan and Related Policies, Version 1.0 (hereinafter, “XXX Launch Plan”), Section 6.0 Defined Terms, at 19, available at <http://www.icmregistry.com/launch/plan/Launch-Plan-and-Related-Policies.pdf>.

¹⁴ See, *generally*, XXX Launch Plan, Section 2.2.1 Sunrise AT Eligibility and Section 2.2.2 Sunrise AD Eligibility, at 8-9; see also <http://www.icmregistry.com/launch/sunrise-a/>.

¹⁵ See, *generally*, XXX Launch Plan, Section 2.2.3 Sunrise B Eligibility, at 9; see also <http://www.icmregistry.com/launch/sunrise-b/>.

¹⁶ “The Membership Application Process must be completed by Applicants for resolving registrations in order to: (i) confirm their status as a member of the Sponsored Community; (ii) confirm contact information; and (iii) acquire Membership Credentials.” XXX Launch Plan, Section 6.0 Defined Terms, at 17.

¹⁷ See XXX Launch Plan, Section 2.3 Allocation of Registration (Sunrise AT and AD), at 10.

¹⁸ The validation process is set forth in detail in XXX Launch Plan, Section 2.8 Validation of Registration and Reservation Requests, at 13.

¹⁹ “Registration Request is an application submitted by an Accredited Registrar on behalf of a member of the Sponsored Community.” XXX Launch Plan, Section 6.0 Defined Terms, at 18.

²⁰ See XXX Launch Plan, Section 2.3 Allocation of Registration (Sunrise AT and AD), at 10. Auction rules are available at <http://www.icmregistry.com/policies/auction-rules/>.

²¹ XXX Launch Plan, Section 1.4 Term, at 6.

²² “The registered Trademark shall be a trade or service mark registration of national or regional international effect issued prior to 1 Sept. 2011.” XXX Launch Plan, Section 2.2.3 Sunrise B Eligibility, at 9.

²³ *Id.*

²⁴ XXX Launch Plan, Section 1.4 Term, at 6. However, “The Registry may review Sunrise B Reservations from time to time to verify that registered trademarks corresponding to the names that were the subject of Reservation Requests have not been cancelled, abandoned, invalidated or otherwise terminated.” XXX Launch Plan, Section 2.4 Allocation of Reservation Requests (Sunrise B), at 11. Thus, it seems that if at some future time there is no valid trademark for a blocked domain, the block can be lifted. The authors also note that, while the block is “permanent,” such permanence may be subject to a continued relationship between the registrar and ICANN. See, e.g., <http://www.opensrs.com/site/services/domains/tlds/xxx/sunrise-faq#q1> (“The Sunrise B ‘Block’ lasts as long as our contract with ICANN, which is currently 10 years.”). See also, XXX Launch Plan, Section 1.4 Term, paragraph 2, providing that “Sunrise B Applicants will be charged a non-refundable onetime fee for Reservation [blocking] Requests. Reservations will be permanent, subject to Section 2 below and/or to any charge in the Registry Agreement or its interpretation that makes this arrangement commercially impracticable.”

²⁵ XXX Launch Plan, Section 2.2.3 Sunrise B Eligibility, at 9. Note that the blocking of a domain does not result in the applicant being given any additional rights. Thus, there is no apparent conflict when multiple applicants request that a domain be blocked.

²⁶ XXX Launch Plan, Section 2.7 Contents of Sunrise Registration and Reservation Requests, at 12.

²⁷ XXX Launch Plan, Section 2.2.1 Sunrise AT Eligibility and Section 2.2.3 Sunrise B Eligibility, at 8-10.

²⁸ See XXX Launch Plan, Section 3.0 Landrush Rules, at 15.

²⁹ See XXX Launch Plan, Section 3.3 Landrush Allocation, at 15.

³⁰ See XXX Launch Plan, Section 4.0 General Availability, at 15; and Section 1.2 Launch Timeline, at 4.

³¹ See <http://www.icann.org/en/dispute-resolution/>.