

.XXX Domain Name Launch and Protecting Your Trademark

After years of contentious debate, ICANN finally approved the launch of .XXX, the new top level domain (“TLD”) targeted at the adult entertainment industry. While at first this may appear to be of no concern to your business, it could potentially have serious implications for brand owners whose trademarks are registered by another party with the .XXX domain. Therefore, the ICM Registry (“ICM”), the firm responsible for the new TLD, has developed an opt-out program for trademark owners who wish to protect their trademarks from being associated with .XXX. The opt-out will effectively block another user from registering a trademark with .XXX. We recommend that brand owners take advantage of this opt-out process as it is likely the most efficient approach to protect your trademark from being registered as .XXX.

How Do I Opt-out?

The opt-out will commence on September 7, 2011 and will run until October 28, 2011 during the “Sunrise” period. It will be available for simultaneous participation by those from within and outside of adult entertainment community known respectively as Sunrise A and Sunrise B. Sunrise A will consist of applicants from within the Sponsored Community (adult entertainment industry) who wish to register a .XXX domain name which corresponds to an existing trademark registration or an existing domain names in another IANA-recognized TLD. Sunrise B will consist of those outside of the Sponsored Community who wish to ensure their trademarks are not registered as .XXX domain name by others. At the close of the Sunrise B period, if a conflicting application by another Sunrise A applicant has not been made the marks submitted by Sunrise B applicants will be blocked from registration with .XXX.

What Happens if I Opt-out?

A successful application to block a domain name will result in the domain name being designated “reserved–trademark” or similar. This domain name will be removed from the pool of domain names available for registration in future phases of the registry operation and the WHOIS information will simply list standard registry information and will not refer to a particular Sunrise B applicant. The corresponding domain name will resolve to a standard informational page indicating the status of the domain name as not available for .XXX registration or similar. Such reservations do not result in a registration in the .XXX TLD, and do not convey additional rights to successful Sunrise B applicants.

How Do I Qualify as a Sunrise B Applicant?

To qualify as a Sunrise B applicant, a party must be a registered trademark owner, licensee or assignee of a national trademark or service mark that was issued prior to the time of the Sunrise B application in a country where the applicant conducts substantial business in connection with the registered mark. In the case of licensees or assignees, the Sunrise applicant will be required to submit a declaration form that will be made available by the registry and / or the validation agent. The form will need to be completed and signed by the licensor or transferor of the relevant

eligible trademark and the applicant. The domain name to be opted out must correspond exactly to the words in the trademark registration. Variations of a trademark registration cannot be protected during the opt-out phase.

What Happens if There is a Conflict During the Sunrise Period?

If conflicting applications are made by a Sunrise A applicant and a Sunrise B applicant, the ICM will notify both parties and give the Sunrise A applicant an opportunity to withdraw its application. If the Sunrise A applicant refuses to withdraw, the domain name will register and the Sunrise B applicant will have to begin an alternative dispute resolution proceedings. However, the Sunrise A applicant will be prevented from arguing that it lacked notice of the Sunrise B's trademark rights in a UDRP proceeding.

What Happens after the Sunrise Period?

Starting in on November 8 until November 25, 2011, there will be a "Landrush" period for members of the Sponsored Community to register any available .XXX domain names (names that have not already been reserved, restricted, awarded or otherwise allocated). No trademark or pre-ownership rights are needed during this Phase. At the end of the Landrush period, names with a single applicant will be automatically registered and those with more than one applicant will proceed to an auction between the competing parties.

What is the General Availability Phase?

Starting December 6, 2011, the .XXX domain names will be available on a first-come, first served basis to those within the Sponsored Community. Those outside of the Sponsored Community may apply on a first come, first served basis to register non-resolving .XXX domain names corresponding to their personal names or other words in which they have a legitimate interest, including trademarks.

How do I Protect My Brand after the Sunrise Phase?

To register a .XXX domain name, all Registrants must agree to participate and abide by any determinations made as part of the Registry's dispute resolution procedures, including the Charter Dispute Resolution Procedure (CEDRP), the Rapid Evaluation Services (RES), and ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP).

Complainants under the CEDRP must show that the person who registered the resolving .XXX domain name is not a member of the Sponsored Community. If successful, the domain name is cancelled and thrown back into the pot of available names. There is no transfer of the domain name involved. The CEDRP proceeding is overseen by the National Arbitration Forum ("NAF").

The RES is designed to provide quick resolution to clear cases of abuse. It is designed to protect abuse of: (1) well-known, distinctive trade or service marks of significant commercial value; or (2) personal or professional names of individuals. Within 48 hours, the panel has the option to

disable the offending domain name pending final decision. The official fee for filing an RES is \$1300. The RES proceeding is overseen by the National Arbitration Forum (“NAF”). Once filed, the RES does not prevent a party from electing to pursue another dispute resolution mechanism such as a UDRP proceeding. Upon doing so, the RES proceeding will be suspended subject to the outcome of the UDRP proceeding.

Successful UDRP Complainants who are not members of the Sponsored Community may register a transferred domain name so long as it is non-resolving. UDRP complaints can be brought before a number of bodies including the NAF and WIPO.

2012 and Beyond

It is anticipated that the ICM will eventually offer a service that allows brand owners to block domain names on a rolling basis but it is unlikely to be as cost effective as the options offered during sunrise. Such a service is anticipated to start in 2012.

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