



eXXXamining Your Brand: Sunrise Period for Trademark Owners to Prevent From Becoming .XXX Domains Starts September 7, 2011

08.29.2011

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As we wrote in June, the historic use of domain names has changed. This update focuses on the new .XXX domain. Brand owners should be aware of the particular issues of this domain and take necessary steps to protect their valuable trademarks.

After years of debate and opposition by both conservative anti-pornography groups and adult entertainment companies fearing compartmentalization, the Internet Corporation for Assigned Names and Numbers (ICANN) approved the controversial .xxx domain, in line with its plan to significantly increase the number of Internet domain name endings, or generic top-level domains (gTLDs) in January. Now, popular adult websites may be forced to buy their own .xxx version, and trademark owners wanting to protect their brand must be diligent as new domains open under that extension.

In response to concerns by parents and interest groups concerned about the easy access to harmful or inappropriate content, the Internet Content Management Registry (ICM) initially developed the proposal for the .xxx domain, and will be administering its application process. ICM indicates that it has already received over 900,000 inquiries from companies that want to pre-register their trademarks or block others from snapping them up. ICM has reserved roughly 15,000 domains from registration, consisting primarily of names that have been blocked on cultural grounds and thousands of "premium" names that the company plans to auction later. There are, however, no corporate trademarks on the reserved list, so companies that want to make sure their brands do not appear with the .xxx extension will likely have to pay between \$200 and \$650 to make sure they are removed from the pool of available names for ten years.

ICM also has a new anti-cybersquatting policy, the Rapid Evaluation Service, that promises to turn off obviously infringing domain names in as little as three days after a complaint is made. ICM's sunrise trademark protection period runs from September 7, 2011 until October 28, 2011. It plans to start accepting registrations from everyone else in December, with registrars such as Go Daddy

expected to charge \$100 a year.

The number of registry companies is expected to explode next year, when ICANN will allow any company to apply for its own domain extension, like .apple or .facebook. Each new domain brings new cybersquatters, who register well-known trademarks to increase Internet traffic or later sell them at an inflated price. To challenge cybersquatters, trademark owners must invoke ICANN's dispute resolution policy, and the process can often take months and several thousand dollars in legal fees. This cost is expected to rise exponentially when ICANN opens up the new gTLDs in January.

Some adult entertainment companies have already put ICM on notice that registration of their domain names without consent will constitute a violation of their rights. However, ICM responded to such legal threats with a seven-page report in July, claiming that a registry cannot be sued for trademark infringement.

Also concerned for their brands are celebrities and entertainment companies, such as MTV Networks, which was among the first to sign up for names such as VH1 and Comedy Central. While the company likely will not operate websites with the .xxx extension, it will at least prevent others from owning it.

In light of the new extension, brand owners should carefully consider several options for protecting their brands:

1. During the Sunrise period between **September 7, 2011 and October 28, 2011**, block their marks from being registered as .XXX domain names. The fee per domain name is for a 10 year period. Owners of multiple trademarks should analyze their risks and carefully consider registering their strongest marks and brands, if they cannot protect their entire portfolio.
2. Actively watch for new registrations when they are opened to anyone on **December 6, 2011**, and take quick action to challenge any confusingly similar registrations, including using ICM's Rapid Evaluation Service.
3. Contract with a search firm to provide regular watch updates for new domain names, and actively challenge any confusingly similar registrations.

For more information about this topic, please contact Amy Marino, 757.473.5393 or , Rob Van Arnam, 919.981.4055 or , or any member of the Williams Mullen Intellectual Property Team.

Please note:

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