

Trademark Owners Should Plan for the Arrival of .XXX Domain Names

July 18, 2011

In April 2011, the Internet Corporation for Assigned Names and Numbers (ICANN) authorized the creation of a new .xxx sponsored top-level domain (sTLD) for the adult entertainment industry. (sTLDs are designed for members of a specific community.) Initially, an adult entertainment company will need to show some prior rights in a mark before it can obtain a corresponding .xxx domain name for its mark. Later, however, such limitations will fall away and any available term may be registered as a .xxx domain name. **Beginning on September 7, 2011, owners of trademark registrations can prevent their marks from being registered as .xxx domain names through a mechanism referred to as “Sunrise B.”**

To take advantage of Sunrise B, a party must own a valid trademark registration in a jurisdiction where the party has engaged in substantial bona fide commercial activities. The cost of blocking the registration of a .xxx domain name during Sunrise B will be approximately US\$200 to US\$300. Once blocked, the .xxx domain name in question will not be available for registration for a period of 10 years. The blocked .xxx domain name will be “reserved” from registration and will take readers to a standard page that indicates that the domain name has been blocked from use. In addition, the WHOIS report (i.e., the domain name title record) for this domain name will only identify the ICM Registry, the authorized registry for .xxx, as the registrant.

ICM Registry has stated that it is only offering trademark owners this one opportunity to block the registration of .xxx domain names that correspond with their registered trademarks. After that, trademark owners would need to bring an infringement, dilution, cybersquatting, or similar claim to try to stop use of a .xxx domain name that incorporates their marks. Such proceedings, whether in court or pursuant to a Uniform Domain Name Dispute Resolution Policy proceeding, would obviously be more expensive than using Sunrise B, and would have a far less certain outcome.

Sunrise B is scheduled to begin on September 7, 2011, and will run for 52 days, closing on October 28, 2011.

For those in the adult entertainment industry, during the same time period there will be a mechanism known as “Sunrise A,” where members of this sponsored community may register .xxx domain names that directly correspond with their registered trademarks or with their preexisting second-level domain names in an existing top-level domain (e.g., .com, .net), as long as the latter existing top-level domain was registered prior to February 2010. Sunrise A, like Sunrise B, will close on October 28, 2011.

Beginning on December 6, 2011, .xxx domain names will become generally available to any party on a first-come, first-served basis. Accordingly, starting on that date, anyone can register a .xxx domain name that corresponds with any term, including another party's registered trademark. Domain names that are registered by parties that are not members of the sponsored community (i.e., the adult entertainment industry) will be blocked from resolving to a website. However, it remains unclear how easy or difficult it will be for such registrants to make their .xxx domain names functional. Even if they remain nonfunctional, there may be a willing buyer in the adult entertainment industry who, under ICM Registry rules, could use such domain names unimpeded (until challenged in a legal proceeding by the trademark owner).

If you have any questions or would like help with .xxx domain names, please contact any of the following Morgan Lewis attorneys:

Washington, D.C.

Ron N. Dreben	202.739.5213	rdreben@morganlewis.com
Karen A. Butcher	202.739.5526	kbutcher@morganlewis.com
James R. Sims III	202.739.5216	jsims@morganlewis.com
Dana S. Gross	202.739.5151	dgross@morganlewis.com

San Francisco

Rochelle D. Alpert	415.442.1326	ralpert@morganlewis.com
Carla B. Oakley	415.442.1301	coakley@morganlewis.com

About Morgan Lewis's Intellectual Property Practice

Morgan Lewis's Intellectual Property Practice consists of more than 150 intellectual property professionals. We represent and advise clients concerning all aspects of intellectual property: patents, trademarks, and copyrights; intellectual property litigation; intellectual property licensing; intellectual property enforcement programs; trade secret protection; related matters involving franchises, the Internet, advertising, and unfair competition; outsourcing and managed services; and the full range of intellectual property issues that arise in business transactions.

About Morgan, Lewis & Bockius LLP

With 22 offices in the United States, Europe, and Asia, Morgan Lewis provides comprehensive transactional, litigation, labor and employment, regulatory, and intellectual property legal services to clients of all sizes—from global Fortune 100 companies to just-conceived startups—across all major industries. Our international team of attorneys, patent agents, employee benefits advisors, regulatory scientists, and other specialists—nearly 3,000 professionals total—serves clients from locations in Beijing, Boston, Brussels, Chicago, Dallas, Frankfurt, Harrisburg, Houston, Irvine, London, Los Angeles, Miami, New York, Palo Alto, Paris, Philadelphia, Pittsburgh, Princeton, San Francisco, Tokyo, Washington, D.C., and Wilmington. For more information about Morgan Lewis or its practices, please visit us online at www.morganlewis.com.

This LawFlash is provided as a general informational service to clients and friends of Morgan, Lewis & Bockius LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. These materials may be considered **Attorney Advertising** in some states. Please note that the prior results discussed in the material do not guarantee similar outcomes.

© 2011 Morgan, Lewis & Bockius LLP. All Rights Reserved.