Cooley

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The .xxx sponsored Top Level Domain (sTLD) is making its way to the Internet this fall as a destination for adult content. Launch of the new top level domain space will result in an expansion of available domain names much the way the introduction of .biz and .tv has done. Registered trademark owners are advised to act quickly during the upcoming "sunrise" registration period to protect their brands from association with adult entertainment sites.

ICM Registry, the company behind the new sTLD, has scheduled a sunrise application period to enable businesses and individuals holding valid trademark registrations to block their trademarks from the registry prior to launch.

How does sunrise work?

There are two sunrise periods. Sunrise "A" is for members of the online adult entertainment community (the "Sponsored Community"). Sunrise "B" is for non-members who wish to block their registered trademarks from the registry. The two sunrise periods will occur simultaneously from September 7 to October 28, 2011.

In Sunrise B, the owner of a registered trademark may apply to permanently block its name from the .xxx space. Trademark holders must complete an application and submit it to an established registrar, who is responsible for transmitting the data to ICM Registry.

A successful Sunrise B application will result in a domain name that resolves to an informational page informing visitors that the name is unavailable for registration.

If Sunrise A and Sunrise B applications are submitted for the same name, both applicants will be notified. The Sunrise A applicant will then have the opportunity to either register the .xxx domain or withdraw its application in light of the Sunrise B applicant's claim. If the Sunrise A applicant chooses to register the name, then it will be up to the Sunrise B applicant whether to pursue an action.

If two Sunrise B applicants apply for the same domain name (think Delta Airlines and Delta Faucet both seeking to block DELTA), then ICM Registry will accept both applications resulting in a permanent block for the name.

What are the eligibility requirements for Sunrise B applications?

To be eligible, a Sunrise B applicant must own a trademark registration of national or regional effect. "Regional" refers to territories such as Benelux or the European Community, and does not include U.S. state registrations. The registration must be issued before September 1, 2011.

The applicant must seek to block a name that corresponds to the entire text of its trademark or the complete textual component of a graphical or compound trademark. Certain variances are permitted for trademarks containing spaces or special characters that are not available for domain names.

How much will it cost to block a name?

The fee for applying to block a name during the Sunrise B period is set by each individual registrar. Most registrars will charge

between \$200–300. While trademark holders may be reluctant to pay another fee to protect their brands online, the price is likely less than the expense of after-the-fact enforcement efforts.

What are the options for those who miss the sunrise period or are not eligible?

Brand owners who miss the sunrise period or will not have a trademark registration by September 1 may register for a .xxx domain name when registration opens to the public in December. Individuals and businesses will be permitted to register non-resolving domain names and may use a proxy service, but the registrations will have to be renewed periodically as with other domain names.

Notably, the opening of the general registration period follows a "Landrush" period (November 8–November 25, 2011). The Landrush period is designed for members of the Sponsored Community who cannot meet the eligibility requirements for Sunrise A. This raises the possibility that someone claiming to be in the adult entertainment community will register a third party's common law trademark without having to prove ownership of a trademark or pre-existing domain name.

Brand owners who are eligible to take advantage of the sunrise period should carefully consider the risk that a third party may seek to register their trademarks in the .xxx domain space, creating a potentially harmful association with the adult entertainment industry. Depending on each owner's defensive strategy, the cost of permanently and preemptively blocking a trademark from the registry may be preferable to waiting until the general availability period or until enforcement becomes necessary.

The Sunrise B period begins on September 7 and runs until October 28, 2011. Cooley's Trademark, Copyright & Advertising group is available to answer questions about eligibility for and the benefits of Sunrise B applications, assist with preparation and submission of these applications and advise brand owners on other brand protection strategies.

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