



Trademark Liability and the .xxx Domain

June 23, 2011

This September marks the launch of the new web domain .xxx, created to consolidate and filter adult entertainment content online. While the domain is intended for use by the adult entertainment industry only, trademark owners operating in other areas should be aware of the potential risk that their mark may be registered in .xxx without their knowledge or consent. This means that a person seeking www.clienttrademark might end up at an adult site www.clienttrademark.xxx, resulting in potential extortion and negative repercussions for the brand if the trademark owner does not take necessary preventative steps.

Trademark owners can and should safeguard their rights. ICM Registry, the firm behind .xxx, allows trademark owners to opt-out of the .xxx domain, essentially blocking registration of their brands as .xxx thereby preventing use of the brand as a .xxx web address. The ability to opt-out is offered to all trademark owners for a onetime fee, but will only be available prior to the .xxx launch, otherwise known as the "Sunrise Period."

The Sunrise Period will begin in early September 2011 and will last for 30 days, during which trademark owners can opt-in or out of .xxx name registrations. The Sunrise Period consists of two separate groups working within the same 30 day period. Sunrise A is the opt-in period for all trademark owners in the adult industry looking to reserve a domain. Sunrise B is the opt-out period for all other trademark owners seeking to block their brand from registration as a .xxx domain name.



Eligibility for Sunrise B requires:

- ownership of a current trademark registration of national effect; and
- that trademark must be issued prior to the time the owner applies to opt-out; and
- ownership must occur in a jurisdiction where the applicant conducts substantial bona fide business in connection with the trademark; and
- the applicant must pay the onetime fee set by the individual registrars (likely cost will be \$200-300 with no further fees in subsequent years).

Potential Sunrise applicants should speak with their Internet Corporation for Assigned Names and Numbers (ICANN) registrar or domain name management service provider to learn more about the cost, timing, and details of the opt-out process.

For trademark owners looking to protect their brand from .xxx registration, the Sunrise B opt-out process is highly recommended. Should you have any questions or concerns regarding trademark liability and the .xxx domain, please contact your Lathrop Gage attorney.

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