

ALERTS AND UPDATES

Inception of the Online Red Light District: ICANN to Launch Top-level Domain Extension This Fall

August 22, 2011

Background

The Internet Corporation for Assigned Names and Numbers (ICANN) is set to launch the new .XXX (dot-triple X) top-level domain (TLD) extension this fall. The intended users are those in the adult entertainment industry with websites that are sexually oriented, but not illegal or fraudulent. The domain names will be registered via ICM Registry.

Use of the new domain extension is voluntary and is intended to better-regulate online sexual content and limit its exposure to adult audiences. Adoption of the .XXX TLD was opposed by some both outside of and within the adult entertainment industry. Those outside the adult entertainment industry posited that issuing domain registrations with .XXX extensions further legitimizes the adult entertainment industry and provides a new access point for sexual content. Within the adult entertainment industry, some contended that the .XXX TLD could be a "scarlet letter" of sorts where rankings of adult websites on popular search engines would be low or nonexistent. Their concern is that the new extension could essentially become a keyword that is readily identifiable, and therefore easily blocked altogether. For the trademark owner, release of the new extension may be problematic because it provides an opportunity for disreputable third parties to hold a mark hostage by registering it with the new .XXX extension.

Registration Divided into Two Phases: "Sunrise A" and "Sunrise B"

The new .XXX registration process will consist initially of two phases: "Sunrise A" and "Sunrise B," both of which will run from September 7, 2011 to October 28, 2011.

Sunrise A Period

The Sunrise A period is designed specifically for the adult entertainment industry, as it will allow trademark owners to register their mark(s) with a .XXX domain extension. The option to register is voluntary, and the adult entertainment trademark owner's new site will be associated with its existing registered sites.

Sunrise B Period

Sunrise B is the designated period for non-adult entertainment trademark owners to register their mark with the .XXX extension. This will allow the trademark owner to block future registrations of its mark with the .XXX extension by any third party.

Recommendations for Trademark Owners to Consider

1. **Block the .XXX Domain for the Trademark During Sunrise B Period**

Those who own registered trademarks may want to be proactive in registering the .XXX domain during the Sunrise B period to block others from registering the mark with the .XXX TLD. A benefit of defensively registering the .XXX

TLD is to prevent unwanted affiliation or sponsorship between a "wholesome" or otherwise innocuous brand and the adult entertainment industry. In addition, trademark owners would be able to block their marks from third parties who attempt to register their marks with the .XXX extension for undesirable reasons.

Accordingly, prudent trademark owners can take the preventive measure of registering the .XXX TLD for their marks during the Sunrise B period to block others. In this way, trademark owners may avoid incurring potentially great expense to undo any tarnishment to their brands by third parties. A one-time fee expected to be between \$200 and \$300 will be required, and this "defensive registration" will last for 10 years.

2. Register Early During the General Availability Period

Trademark owners who did not or could not protect their trademark during the Sunrise B period either because they missed the opportunity to block the .XXX domain for their registered trademark or because their mark is not the subject of a trademark registration may wish to act promptly during the General Availability period commencing **December 6, 2011**, during which .XXX domains will be registered on a first-come, first-served basis.

3. Monitor .XXX Domain Registrations

Trademark owners should also consider checking with their watch service providers to determine whether the service provider will monitor .XXX domain name registrations. Failure to defensively register and monitor the .XXX domain name registrations could allow a third party acting in bad faith to register a mark with .XXX.

Conclusion

Proactive trademark owners are likely to be well-served in protecting their valuable brands if they consider follow the foregoing steps. In taking control of registering the .XXX TLD associated with their marks, they can potentially avoid substantial expenditures to undo harm that others may cause.

For Further Information

If you have any questions about this *Alert*, please contact [Mark A. Steiner](#), any [member](#) of the [Intellectual Property Practice Group](#) or the attorney in the firm with whom you are regularly in contact.

Note: Thanks to Daphne Simonson-Minckler, of Golden Gate University Law School, for her assistance in writing this Alert.

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