



.XXX launch - to block or not to block

Further to our previous coverage via alerts and the May issue of *Anchovy News*, today, 7 September 2011 is the day that the .XXX sponsored Top Level Domain (sTLD) will, despite many years of controversy, finally make its debut with sunrise periods opening today and lasting until 28 October 2011 which will be divided into two streams for industry and non-industry players.

Of the two sunrise periods, it is Sunrise B that provides rights holders with the opportunity to block their trade marks in .XXX and thereby prevent potential abusive registrations by third parties. However, the question remains: is there a sound argument for doing so?

Although the 10 year minimum blocking registrations on offer from the ICM Registry would appear to represent good value, .XXX is somewhat unique when compared with other sTLD launches in that the average brand owner will have no conceivable use for a .XXX domain name other than to prevent infringement. This makes it less enticing than previous sTLDs offerings such as .MOBI, .ASIA or .TEL, or even .EU, for which a brand owner may actually have a use or potential use. We have thus always advised to secure main brands under such extensions, but .XXX is a somewhat different beast and whilst many brands will rightly secure their key marks in order to avoid abuse, and in particular one should pay attention to marks that may be less well known or those which may have double meanings, including in other languages, others may decide against it given that they have no real use for the TLD. Indeed it is a precursor to what we will be seeing in the coming 18 months with the launch of many more new gTLDs and associated increase in the cost of defensive registrations.

In addition, ICM Registry appears to have been diligent in regard to rights protection as in addition to the availability of the UDRP and court action, it has set out to provide additional protection to rights holders with a specific policy known as the Rapid Evaluation Service ("RES") seeking to prevent the abuse of well known registered word marks or personal or professional names of individuals. The grounds for filing are similar but not identical to a UDRP, the threshold is higher than that of a UDRP and the sole remedy under the RES is a cancellation of the domain name and redirection to a registry-designated webpage, so it may not be attractive to everyone. However not everyone will want a transfer of a .XXX name, and in any event the domain name will not resolve if the applicant is outside the adult entertainment industry. The clear advantage is the fact that a preliminary decision is possible within two business days and that is certainly rapid.

Overall, brand owners should look upon the .XXX launch and its sunrise options as a chance to review their defensive registration strategies as it presages the choices that will need to be made regularly once the New gTLD Program is launched in early 2012.

Further details regarding the sunrise period

The sunrise period for .XXX will be divided into the following two parts, which will run concurrently from 7 September to 28 October 2011:

Sunrise A

Open to applicants who either a) do business in the adult entertainment industry under a registered trade mark, or b) who own and operate an eligible domain name in another gTLD or ccTLD, registered prior to February 2010, and who are engaging in eligible commerce (the so called "grandfathering" procedure). In both cases, the registrants must satisfy the sponsored community definition (basically declaring that they provide, or represent providers of, online, sexually-oriented adult entertainment). The grandfathering procedure will ensure that adult entertainment industry players who are not able to obtain a trade mark for their brand due, to obscenity issues or for other reasons, will nevertheless be able to protect it in .XXX.

Sunrise B

Sunrise B is designed for applicants from outside of the sponsored community looking to protect their registered national trade or service marks from registration in .XXX by third parties and is described as "opting out" of .XXX by ICM Registry. It involves a one-off flat fee and, if no competing applications are received at the end of the sunrise period, the names will be reserved and will resolve to a placeholder page stating that the domain name has been blocked. The reservations are theoretically indefinite; but as ICM Registry's agreement with ICANN runs for 10 years, they cannot actually be guaranteed for longer than this.

According to ICM Registry's Sunrise Rules, in order to qualify for either Sunrise A or Sunrise B on the basis of a trade mark registration, such trade mark "will need to be issued prior to the time of the application submission, in a jurisdiction where the applicant conducts substantial bona fide commerce in connection with the trade or service mark actually registered." This lessens the chances that registrants could seek to obtain "fast track" trade mark registrations in jurisdictions where this is possible for the sole purpose of securing the corresponding domain name registration, such as was seen during the .EU launch.

.XXX domain names based on trade marks will need to correspond exactly to the trade mark or the textual component of a word and design trade mark and those based on existing domain names will also need to correspond exactly to the domain name in question.

What happens in the case of competing applications or IP claims?

If a .XXX domain name is applied for by one sunrise A applicant and at least one sunrise B applicant, both parties will be notified of same and the sunrise A applicant will have the opportunity to withdraw. If the sunrise A applicant does not withdraw its application, it will be given priority and will proceed to registration; however, the registrant will not be able to claim lack of notice in any subsequent dispute proceeding.

In the event that there is more than one eligible applicant under Sunrise B, the name will be reserved in exactly the same way as if there were only a single applicant and there will be no refund or apportionment of fees amongst the various applicants. Where a .XXX domain name is applied for by at least two sunrise A applicants, the domain name will be auctioned among all eligible applicants.

Landrush period

The sunrise period will be followed, on 8 November 2011, by a landrush period for members of the Sponsored Community but not on a first come, first served basis as competing applications will be subject to a closed auction at the end of the period.

General availability

The .XXX TLD will be open for general availability on 6 December 2011, when members of the adult Sponsored Community will be able to get resolving names on a first come, first served basis. Non-members of the adult Sponsored Community will also be able to register non-resolving names.

Pricing

Hogan Lovells will be offering .XXX sunrise registrations for €300 plus the 10-year registry fee of approximately €115. Importantly, and as for previous launches, our usual pre-application validation process to ensure eligibility and use of the correct trade marks is included in this fee. For any information about .XXX registrations, please contact David Taylor at david.taylor@hoganlovells.com or liaise with your usual contact at Hogan Lovells.

Anchovy - global online brand management and protection

Hogan Lovells has had a dedicated domain name practice for well over a decade now, providing a comprehensive service to protect brands online and in particular domain names. The continual introduction of new domain name extensions and the constantly changing registration requirements in ccTLD Registries combined with the many and varied dispute resolution procedures make the effective management of brands online increasingly complex.

- We offer a comprehensive and centralised online brand protection service named Anchovy® for global domain name strategy, portfolio management and global enforcement via our online platform Anchovy.

- We advise and work closely with clients on their global domain name strategy, including new gTLDs, and can register and then manage domain names of interest in all available ccTLD jurisdictions worldwide, assisting in meeting the varying pre-registration requirements, for example, trade mark registrations, company formation and local contacts;

- In close liaison with our offices worldwide, we offer a comprehensive domain name recuperation service comprising of an initial investigation (including registrant searches), cease and desist letters, fixed fee UDRP/LDRP procedures, negotiations for domain name purchases and litigation and subsequent transfers taking care of all necessary paperwork and technical issues relating to the re-delegation of domain name servers.

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