

Domain Names May Need Protection From XXX Designation

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The Internet Committee for Assigned Names and Numbers (ICANN) has approved the launch of the new .XXX top-level domain name (“TLD”), targeted to serve the needs of the adult entertainment industry. As we've seen in the past, the launch of new TLDs may give cybersquatters the opportunity to register domain names that incorporate established marks to profit from unlawfully diverting Internet traffic or from selling the domains to their rightful owners. The risk of brand damage caused by cybersquatting is enhanced in this case by the fact that the .XXX TLDs are, by definition, associated with sexually-oriented content. Sensitive to the issue, the registry behind the .XXX TLD is giving trademark owners outside the adult industry the opportunity to **preemptively block** their marks from being registered with a .XXX web address.

From **September 7, 2011 through October 28, 2011** trademark owners can opt their trademarks out of the .XXX registry. In order to block a trademark from being used as a .XXX web address, the trademark owner must have a valid trademark registration that was granted before September 1, 2011. The opt-out feature is only being offered during the above term and it is available upon payment of a one-time fee that ranges from \$200 to \$300, depending on the registrar. Only exact matches of a registered trademark may be entered in the opt-out list, which means that abbreviations, hyphenated uses, acronyms, typos or close variations of a trademark cannot be blocked.

Starting on December 6, 2011, parties who do not own a trademark registration will be given an opportunity to block names of interest from being registered within a .XXX domain name during the “General Availability” phase. Some registrars are already accepting applications for desired names and claim that the sooner one reserves a name, the better their position will be when the General Availability registration period opens. The registration fee in this case costs \$99.99 for the first year of the domain name registration.

While trademark owners can still attempt to recover .XXX domain names that make unauthorized use of their trademarks through existing anti-cybersquatting mechanisms such as UDRP complaints, the preemptive opt-out feature will be less expensive and more efficient.

Trademark holders need to review their trademark portfolios and consider applying to block their main brands from registration within the .XXX registry.