



Alerts

Significant Changes Coming to Top-Level Domains

August 25, 2011

Intellectual Property Update

Two developments are underway at the Internet Corporation for Assigned Names and Numbers (ICANN), both of which will have an impact on companies concerned with protecting their brands. This *Intellectual Property Alert* contains two articles explaining key points of interest, applicable timelines, and other considerations for organizations.

Important Information on the new .XXX Domain and its Registration Process

ICANN has approved a new top-level domain, the .xxx domain, for adult content on the web. The .xxx domain is a sponsored top-level domain (sTLD), a type of generic top-level domain (gTLD) meant for a specific community—in this case, the adult entertainment industry. Though the domain is designated for the adult entertainment industry, those in the industry are not required to utilize it; they can continue to use their already registered .com or .net domain.

In any event, when the registration process begins in September 2011, several issues may arise of which trademark owners should be aware. The .xxx domain will be available to only those trademark owners with an already existing trademark or domain name. To help ensure fairness to all trademark owners, the registration process has been split into three phases, the Sunrise phase, the Landrush phase and the General Availability phase.

Under the Sunrise phase, which commences on September 7, 2011, and lasts for 30 days, parties in the adult entertainment industry may register and reserve a domain name (Sunrise A). Concurrently, those outside the industry who wish to protect their mark from registration will have an equal chance to register and block the domain name from view (Sunrise B). This phase will only apply to trademarks that are previously registered anywhere in the world.

Under the Landrush phase, which commences on October 24, 2011, and lasts for only 10 days, members of the adult entertainment sponsored community may seek registration of domain names that were not previously existing domain names or trademarks.

Finally, under the General Availability phase, which commences on December 6, 2011, the process will open to the general public with options to either

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register .xxx domain names or purchase .xxx domain names that have been registered and made available for sale.

It is important to note that the process is not a first-come, first-served process. If conflicting applications are submitted during the Sunrise phase, and both applications are found to be valid, the name will be auctioned off.

Though the registration process does not go into effect until September, registrars are already accepting pre-registration applications. Trademark owners in the adult entertainment industry should consider whether to utilize the new .xxx domain. More importantly, trademark owners outside of the industry should take measures to protect their brands and trademarks from connection with the adult entertainment industry and cybersquatters interested in profiting from the new domain.

If your company needs assistance navigating this process, please contact your regular Hinshaw attorney or any [intellectual property attorney](#) on our website.

It's Up To You—A Primer on Personalized Top-Level Domains

ICANN has introduced its new generic top-level domain (gTLD) program. A gTLD is an internet extension such as .com, .net, or .org. Today there are only 22 gTLDs, but soon there will be hundreds more. The new program will allow any public or private organization to form and operate its own registry. This means you can now create a gTLD of your own choosing. For example, a party may apply for a gTLD based on its existing trademark, like .starbucks. Similarly, a party may apply for a more generic gTLD like .coffee. Your organization sets the rules, including and excluding as much as you want.

The application submission period is set to begin on January 12, 2012. The process itself encompasses several stages and is expected to take 8 to 18 months to complete. To receive consideration, all applications must be submitted through the online submission process by the close of the application period, a date that has yet to be determined. Due to in-depth processing steps and security settings on the application submission system, applicants should be aware that it may take substantial time to complete the application process. Applicants should begin the process immediately so they are not foreclosed from completing the process when the close date arrives.

The evaluation fee for each application is \$185,000 (no, that is not a typo, though it looks like one when compared to the more manageable costs associated with domain names under the .com, .org, .net gTLDs). Each applicant will have to pay a \$5,000 deposit per application slot, which will be applied to the evaluation fee if the application is accepted. Be aware that additional fees for specialized process steps may also be applied.

If two or more applicants apply for the same string, the String Contention procedures take effect. These procedures are outlined in Module 4 of the applicant guidebook and include resolution through either community priority evaluation, in certain cases, or through an auction.

After the application close date, ICANN will publish a list of all approved gTLDs on its website. Thereafter, a period of time will be set for third parties to file a formal objection to a domain name. Four viable objections have been identified by ICANN, which include: String Confusion Objections (when the applied-for gTLD is confusingly similar to an existing TLD or another applied-for gTLD); Legal Rights Objections (when the applied-for gTLD infringes on existing legal rights of another); Limited Public Interest Objections (when the applied-for gTLD is contrary to generally accepted legal norms of morality); and Community Objections (when the applied-for gTLD is objected to by a significant portion of the community to which it targets). Disputes will be handled by a pre-determined dispute resolution process.

Considering the rigorous and expensive process, parties should take this time before January 2012, to seriously consider whether applying for its own gTLD is the right step for the brand. Whether a party chooses to submit an application or not, it should still be informed of the process in order to develop defensive strategies for brand protection.

If your company needs assistance preparing a strategy for the application process or a proactive defense, please contact your regular Hinshaw attorney or any [intellectual property attorney](#) on our website.