

PREVENTING THE UNAUTHORIZED USE OF TRADEMARKS WITH A .XXX GENERIC TOP LEVEL DOMAIN — ACTION REQUIRED BY OCTOBER 28, 2011

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ICANN, the domain name management organization, has established .xxx as a generic top-level domain (“gTLD”) similar to .com, .net and .org. The .xxx gTLD is intended for use by the adult entertainment industry. The “Sunrise B” period — during which trademark owners can apply to prevent their registered trademarks from being used without authorization in .xxx domain names — ends on October 28, 2011. By filing applications during the Sunrise B period, trademark owners may avoid costly litigation in the future.

The Internet domain registration system does not include an automatic screening procedure to prevent unauthorized use of trademarks. Therefore, it is incumbent upon trademark owners to take necessary actions to protect their trademarks against misuse.

One method of protection is to record registered trademarks during the Sunrise B period. Owners of registered trademarks are entitled to record those marks with accredited registrars during the Sunrise B period to block others from obtaining rights to the associated .xxx domain name. A mark must have been registered as of September 1, 2011 to be recorded during the Sunrise B period. A pending application for a trademark registration will not be sufficient to take advantage of the Sunrise B provision. The request to prevent a mark from being used with the .xxx extension must cover the entire text of the registered trademark, excluding any design components.

Upon satisfactory completion of the Sunrise B recordation process, a blocked .xxx URL will direct a user to a web page stating that the domain name has been reserved. The process merely blocks others from owning the domain name, without the party initiating the blocking process actually owning a .xxx domain name. Therefore, the blocking party will not be listed in the public WHOIS database as owning a .xxx domain name.

Following the close of the Sunrise B period, trademark owners should maintain an active watch for newly registered .xxx domains. In the event a business’s trademark is registered without authorization, the owner can still utilize ICANN’s

uniform domain name dispute resolution arbitration procedure or opt for litigation in a court of suitable jurisdiction.

Businesses should carefully evaluate their trademark portfolios to determine which of their marks should be protected as described above and take appropriate action. Further changes in the Internet will occur in 2012. ICANN is accepting applications for new gTLDs, which may be accepted and go into operation in 2012 or soon thereafter. Each new gTLD will present protection issues for trademark owners similar to those described above.

Schnader IP lawyers can advise trademark owners on the appropriate steps to protect trademarks on the Internet. ♦

This document is a basic summary of legal issues. It should not be relied upon as an authoritative statement of the law. You should obtain detailed legal advice before taking legal action.

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