

We Have Lift-Off! What's Next for .XXX in a Post-Launch World?

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THE EAGLE HAS LANDED. THE .XXX TOP-LEVEL DOMAIN IS NOW ACTIVE.

The .XXX domain name registry launch is now complete. We have touched down in the General Availability period – a cyberspace race of sorts – where any individual, company or organization, whether or not they are a part of the adult “Sponsored Community,” can register any available .XXX domain name on a first come, first served basis. A .XXX domain name registration will allow trademark owners outside the adult community to “block” that domain, protecting its valuable intellectual property rights. Members of adult communities will need to “register” as members of the “Sponsored Community”

before they can begin using their new domain names.¹

FROM THE EARTH TO THE MOON. HOW TO REGISTER NEW .XXX DOMAIN NAMES.

Unlike the prior “Sunrise” stages of the .XXX launch, the General Availability period:

- permits applications from non-members and members of the adult sponsored community alike; and
- allows domain name applicants that are not in the adult industry to register a .XXX domain name without a corresponding registered trademark or domain name in another top-level domain.

Trademark owners who were unable to reserve a domain name in the “Sunrise B” period, such as owners of unregistered trademarks or those who wanted to append relevant generic terms to their mark, can now register domain names during General Availability.

A domain name registered by an individual or entity that is not a “Sponsored Community” member is “blocked” and cannot be used by the owner; the domain will resolve to an informational page stating that the domain has been reserved. This will prevent other interested parties in acquiring and/or using it, thereby protecting the brand owner’s valuable intellectual property rights. Most registrars are charging an annual registration fee of

approximately \$100 per domain name for this blocking service.

HOUSTON...WE HAVE A PROBLEM. WHAT IF A THIRD PARTY REGISTERED – AND IS USING – A DOMAIN NAME THAT CONTAINS MY MARK?

A brand owner who has foregone or forgot the various stages of the .XXX launch may soon discover that a .XXX domain incorporating his brand has been snapped up – leaving him floating in uncertain cyberspace. There are, however, several remedies available in such an instance. While preemptively reserving a .XXX domain name may be the most cost-effective preventative approach, there are three main rights protection mechanisms available in the event that a brand owner’s mark is incorporated into an active .XXX site:

- The Uniform Domain Name Dispute Resolution Policy (“UDRP”),
- The Rapid Evaluation Service (“RES”), and
- The Charter Eligibility Dispute Resolution Procedure (“CEDRP”).

The three main enforcement options are described in more detail below.

The .XXX registry has also suspended several clearly infringing domain names, like washingtonpost.xxx, cnbc.xxx, and verizonwireless.xxx, without any affirmative action by the owners of the corresponding marks.² Whether this will be the registry’s ongoing practice or if it was a one-time act intended to curry public favor remains to be seen. It has taken no apparent action on other obvious-cybersquatted .XXX domain names, like vatican.xxx.³

UDRP

Like all new generic or sponsored top-level domain names overseen by the Internet Corporation for Assigned Names and Numbers (“ICANN”), all domain names registered through the .XXX registry are automatically contractually bound to the UDRP.⁴ The UDRP provides for mandatory arbitration, and allows trademark owners to obtain the transfer or cancellation of a domain name where:

- (i) The domain name is identical or confusingly similar to a mark in which the trademark owner has prior rights;
- (ii) The domain name owner has no rights or legitimate interests in the domain name, and

(iii) The domain name was registered and is being used in bad faith.⁵

Most trademark owners are familiar and comfortable with using the UDRP. Since the UDRP has been in place for many domain name spaces for over a decade, there is a substantial body of arbitral decisions to reply upon when deciding whether to pursue a UDRP.

The most interesting wrinkle is likely to be how UDRP panels interpret the presence of or links to pornographic content to be a factor in assessing registrants' bad faith.⁶ The *raison d'être* for the .XXX top-level domain (and the only content permitted on .XXX sites) is "adult" content, much of which is likely to be pornographic. The use of a well-known trademark or a term that has no meaning other than a trademark as part of a .XXX domain name that is used for pornographic content is very likely to be still considered bad faith, while use of a term that has a descriptive or generic meaning connected to the adult industry, even if that term is also a mark (even a well-known mark) in another industry, is unlikely to be considered bad faith. Domain names that have a descriptive or generic meaning that is not specifically connected to the adult industry, but that also are used as a mark (albeit not well-known) for some goods or services will be a closer question; circumstantial evidence and the other bad faith factors may end up being more important factors in the bad faith inquiry for these sorts of domains.

RES

The RES is a procedure unique to the .XXX registry, and is intended to be a "prompt remedy" to address "objectively clear abuse of well-known, distinctive trademarks or service marks of significant commercial value, or of personal or professional names of individuals."⁷ It is intended to be "narrowly limited" and "narrowly construed."⁸

This introduction makes the RES sound very much like the Uniform Rapid Suspension ("URS")⁹ system that ICANN plans to apply to the new generic Top-Level Domains (gTLDs) expansion which began on January 12 – a very quick, cheap way to knock out egregious sites. The filing fees for the RES and the UDRP are identical,¹⁰ so the RES is not an especially good value, unlike the URS. The RES is at least rapid – a preliminary review of the complaint occurs in one business day, the domain is locked by the ICM Registry within two days

of the date the complaint is allowed as technically compliant, the complaint is served on the listed registrant one day thereafter, and a preliminary decision is rendered only two business days thereafter.¹¹ The preliminary decision can bounce a frivolous or abusive complaint, or, if the complaint "presents a strong likelihood of success," can immediately disable access to the domain for the duration of the proceeding.¹² The domain owner has 10 business days to file a response (and has the rather annoying right to cure a default with additional submissions up to three months after a final decision), and a final decision is rendered within six days.¹³

RES mechanics are slightly different than the UDRP in several ways. Complaints are limited to 300 words per claim, cutting down on the time (and thus cost) to prepare and file complaints.¹⁴ The RES also does a better job than the older UDRP in providing for mechanics for service of arbitration complaints – a complaint is reviewed solely by the panel for compliance, then locked by the registry, and *then* served on the domain owner.¹⁵ This avoids a very common problem with the UDRP (which requires simultaneous service on the arbitration provider, registrar, and domain owner), where a domain owner receives a complaint but, before the domain is locked, transfers the domain name out of his or her name (preventing a paper trail of adverse decisions) and/or to a shady offshore registrar (possibly setting up a court action to "appeal" in an inconvenient jurisdiction).


The RES' weakest point is the remedy it provides – cancellation of the registration. The RES does not, like the URS, require suspension of the domain name for the "balance of the registration period."¹⁶ It is not clear how this will work in practice – will the ICM Registry reserve this domain name indefinitely? For a while, and then release it? Will the domain be immediately available, resulting in a race (or worse, an auction) between the complainant and the old registrant? This serious flaw is likely to push many trademark owners towards pursuing a UDRP instead, since the UDRP allows for transfer of the domain in question – and, save the ongoing cost of renewal, some finality in the matter.

Finally, unlike the UDRP, RES decisions are not made public; at most, the ICM Registry or dispute providers may provide aggregate statistical information about decisions.

CEDRP

The CEDRP is less likely to be of interest to trademark owners outside the adult industry. A CEDRP complaint requires "clean and convincing evidence" that a .XXX domain was "improperly registered or used."¹⁷ These occur when a registrant does not fit within the .XXX "Sponsored Community" but is using the domain name, or when a registration was improperly granted under the first part of the .XXX Sunrise period. As with the RES, the sole remedy is cancellation, and no information about individual decisions will be published.

THE FINAL FRONTIER? WHAT IS THE FUTURE OF THE .XXX REGISTRY?

ICM Registry received over 80,000 applications during its Sunrise period, which were "well balanced" between adult-industry applicants and trademark owners seeking defensive registrations. Unconfirmed third-party reports suggest that over 150,000 domains had been sold by the first week after the general launch.¹⁸ A very crude estimate – using the search "site:.xxx" on Google – yielded about 1,900,000 active web pages in the .xxx space. There is no useful way to estimate the total number of domain names that are actively in use, much less to estimate which of those are unique sites and which are simply pay-per-click pages or redirects to existing web properties in other top level domains. If domain names in .XXX – and especially domains that are inactive or used for only pay-per-click ads – are not widely trafficked by the public, and so receive little accidental traffic and little love from the search engines, the registry may become less of a practical ongoing concern for trademark owners. Still, the takeoff of .XXX foreshadows an even larger event looming in the distance and indicates that the sky is no longer the limit for gTLDs. As the horizon line of the great 'new gTLD' release draws ever near, the lift-off of .XXX has arguably blazed a trail for potential applicants of new top level domains and brand and domain name owners alike. .XXX may prove to be one small step for domains and one giant leap for gTLD-kind. 

ENDNOTES

1. ICM Registry, Launch Plan and Related Policies Sections 4.0, 6.0, at <http://icmregistry.com/launch/plan/> (effective Jul. 15, 2011) (the ".XXX Policies").

2. ICM Registry, “ICM Registry Acts in Response to Reports of Cyber-squatting,” at www.icmregistry.com/press/icm-registry-acts-in-response-to-reports-of-cyber-squatting/#more-1444 (Dec. 13, 2011).
3. P. Pullella, “The Vatican said on Wednesday an unknown buyer had snapped up the internet address vatican.xxx,” available at www.reuters.com/article/2011/12/21/us-vatican-porno-idUSTRE7BK1JW20111221 (Dec. 21, 2011).
4. .XXX Policies, Section 5.0.
5. ICANN, “Uniform Domain Name Dispute Resolution Policy,” at www.icann.org/en/udrp/udrp-policy-24oct99.htm (effective Oct. 24, 1999).
6. See, e.g., World Intellectual Property Organization, “WIPO Overview of WIPO Panel Views of Selected UDRP Questions, Second Edition,” Section 3.11, at www.wipo.int/amc/en/domains/search/overview2.0/ (last updated Mar. 31, 2011).
7. ICM Registry, “Rapid Evaluation Service Policy,” Section 1, at <http://domains.adrforum.com/resource.aspx?id=1678> (effective Sept. 1, 2011).
8. *Id.*
9. ICANN, Uniform Rapid Suspension System, at www.icann.org/en/topics/new-gTlds/urs-clean-19sep11-en.pdf (effective Sept. 19, 2011).
10. Compare National Arbitration Forum (“NAF”), The NAF’s Supp. R. to ICANN’s UDRP, at <http://domains.adrforum.com/resource.aspx?id=1556> (effective Jul. 1, 2010) and NAF, Supplemental Rules to ICM Registry’s RES, at <http://domains.adrforum.com/resource.aspx?id=1664> (effective Sept. 1, 2011) (“RES Supp. R.”).
11. The service provider must analyze the complaint for compliance with all rules within one business day, so this does shorten the UDRP process slightly. ICM Registry, R. of Proc. ICM Registry’s RES 2-5 at <http://domains.adrforum.com/resource.aspx?id=1677> (effective Sept. 1, 2011).
12. RES R. 5. There is a neat “three strikes” rule: if a registrant has received three adverse final decisions under the RES in the previous year, it is presumed to be an abusive registrant and is very likely to receive an unfavorable preliminary decision. A parallel provision (although enforced during the administrative reviews) limits complainants or their representatives to the same three strikes, although over a three year span. RES R. 2(b).
13. RES R. 6-8; RES Supp. R. 8(b)-(c).
14. Only three hundred words are allowed per claim. See RES Supp. R. 4(b).
15. RES R. 3.
16. URS Section 10.2.
17. ICM Registry, CEDRP Policy Section 1, at <http://domains.adrforum.com/resource.aspx?id=1686> (effective Sept. 1, 2011).
18. P. Danner, “Sales of .xxx domains heat up,” mySA, at www.mysanantonio.com/news/local_news/article/Sales-of-xxx-domains-heat-up-2393148.php (Dec. 10, 2011).