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New Frontiers in Internet Domain Names

Expansion of domain name possibilities presents new frontiers and challenges for brand owners

Brand owners should be aware of two recent actions of the Internet Corporation for Assigned Names and Numbers (ICANN), the international non-profit organization charged with creating policies for use of the internet. First, in the spring of 2011, ICANN entered an agreement with ICM Registry, LLC to launch the .XXX sponsored top-level domain. Second, in the summer of 2011, ICANN approved the creation of generic top-level domains (gTLDs). Both decisions expand the number of available top-level domains. This note provides a basic introduction to both decisions and an overview of how brand owners may act to protect their brands in light of these changes.

Current state of ICANN generic Top Level Domain

Today, ICANN limits top-level domains to 22 generic TLDs (e.g. .com, .org, .gov, etc.) and over 250 country code TLDs (i.e. .ca for Canada, .de for Deutschland, etc.).

Addition of .XXX Top Level Domains

The .XXX sTLDs are scheduled to go live in December 2011 to host web sites dedicated to the adult entertainment industry. Registered trademark owners who are not members of the adult entertainment industry may take steps to block the use of their marks in .XXX domains during the preregistration Sunrise period, following the [procedures for "Sunrise B" outlined by ICM Registry on their website](#). The 52-day Sunrise period begins September 7, 2011, ends October 28, 2011, and costs approximately \$200 to block another user for a 10-year period.

If a registered trademark owner does not act during the Sunrise B period and another registrant uses the trademark as a .XXX domain, the trademark owner must use administrative domain name dispute

The Closely-Held Business Team attorneys at Harrang Long Gary Rudnick are committed to serving the needs of business owners in a responsive and proactive manner. They understand the challenges and the opportunities provided by the law in today's business climate, and are focused on the advancement of each client's success in business.

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resolution procedures, such as the ICM's [Rapid Evaluation Service \(RES\)](#) or the ICANN's [Uniform Domain Name Dispute Resolution Policy \(UDRP\)](#), or a lawsuit to stop the offending user. Given the expense and difficulty of post-registration remedies, registered trademark owners who reasonably believe that their trademark may be targeted by a .XXX registrant should consider acting during the Sunrise period to prevent registration of a .XXX domain. Put another way, if you want to make sure that after December 2011, YOURTRADEMARK does not link to adult material at a website at YOURTRADEMARK-dot-xxx, take advantage of the Sunrise B procedures at the ICM Registry website before October 28, 2011.

Addition of “.Brand” Top Level Domains

For a four-month period beginning in January 2012, companies, organizations, industries, governments, and communities can apply to [ICANN](#) to launch top-level domains featuring brand names (e.g. .adidas), generic terms (e.g. .shoes) and locations (e.g. .pdx). [ICANN's purpose](#) in expanding the number of TLDs is to “pav[e] the way for increased consumer choice by facilitating competition among registry service providers,” and allow entrepreneurs, businesses, governments and communities around the world to operate a TLD registry of their own choosing. ICANN provides a basic overview of the gTLD program [on their website](#).

Although there are several uncertainties of the expansion, such as whether and when ICANN will schedule another application period, one thing is certain: registering a unique gTLD during the first application period will be expensive. The registration fee alone is \$185,000. Additionally, successful applicants must pay a minimum annual fee of \$25,000. Other costs include those associated with preparing and filing an application, responding to potential objections, and operating the new gTLD.

ICANN has put in place procedures to resolve conflicts that develop during the registration process, including objections from those that feel a string in a proposed gTLD infringes on their legal rights, causes confusion, is contrary to general principles of morality and public

order. These procedures are detailed in ICANN's [applicant guidebook](#).

Although most brand owners will not make the significant investment in a new gTLD, and only some brand owners may need to file direct challenges to new gTLD registrations, the new gTLD regime promises to affect nearly all brand owners who may want to register or monitor the use of their mark “to the left” of a new TLD operated by a third party, especially those industry generics (e.g. if Adidas wanted to register for adidas.shoes or to challenge another party from using an adidas.footwear domain).

Most cybersquatting may be discouraged by the high costs, stringent registration criteria, and by timely objections during the registration process, but there are some additional protection mechanisms registered trademark owners should know about. For example, new gTLD operators will be required to operate Sunrise and intellectual property claims services for the protection of trademarks. ICANN has also proposed the use of a Trademark Clearinghouse to serve as a central repository for information relating to the rights of trademark owners and plans to implement a new Uniform Rapid Suspension System to provide a more efficient way to stop infringing uses of domains than the UDRP.

For more information about how these changes might affect your business, or for any questions about your intellectual property rights, contact [John Cathcart-Rake](#) or Randy Duncan at 503-242-0000.

