

Comments on the Proposed Principles for IANA Intellectual Property Agreements (Sidley – 31 May 2016)

Section/Concept	Sidley Comment	Proposed CWG Response
<p>General Comment to CWG: In addition to the specific comments set forth below, we note several items that were included in our memorandum regarding IANA Intellectual Property Rights dated August 4, 2015, that also should be addressed if the proposal to house marks and domain names with the IETF Trust proceeds. Much of this proposal focuses on how the IETF Trust will safeguard the IANA IPR from any malfeasance or underperformance by ICANN. This is important, of course, but we believe there also needs to be consideration of how to protect the IANA IPR from rogue acts, or noncooperation, by the IETF Trust. As such, the participants also may need to consider amendments to the IETF Trust documents for the following:</p>	<p>(1) permitting the IETF to own such intellectual property (the IANA IPR);</p>	<p>Need a discussion with Sidley (and possibly IETF counsel) regarding the IETF Trust Agreement (and specifically the “purpose” clause) to see why Sidley believes the IETF is not currently permitted to own the IANA IPR. If concerns remain, need to explore the availability of solutions other than amending IETF Trust Agreement.</p>
	<p>(2) prohibiting the IETF Trust from transferring or in any way encumbering the IANA IPR, except transfer solely in accordance with the processes ultimately agreed for dispute resolution;</p>	<p>Agree that this needs to be prohibited; however, subject to confirmation with Sidley, this can and will be dealt with in the Community Agreement (assuming this is agreed to by the IETF Trust (and the other operational communities?)).</p>
	<p>(3) mandating a transfer of the IANA IPR to ICANN or its successor organization in the event a breach of IETF Trust obligations (or a breach of trustee duty) is established with respect to the IANA IPR; and</p>	<p>Agree that this needs to be mandated (although ICANN is not necessarily the presumptive transferee); however, subject to confirmation with Sidley, this can and will be dealt with in the Community Agreement (assuming this is agreed to by the IETF Trust (and the other operational communities?)).</p>
	<p>(4) a pledge or guaranty by the trustees of the IETF Trust, who must be listed as the registered owners with the USPTO, to exercise their control of the IANA IPR solely for the benefit of the IETF Trust and the agreements that it has entered into, and not for any personal use or gain.</p>	<p>Subject to confirmation with Sidley, this can and will be dealt with in a side agreement (assuming this is agreed to by the IETF Trust (and the other operational communities?)).</p>

Section/Concept	Sidley Comment	Proposed CWG Response
Parties to the Community Agreement	Footnote 7, page 2: Each of the Operational Communities will need to determine the appropriate legal entity to be the counterparty in the Community Agreement.	CWG will need to determine what entity would enter into the Community Agreement on behalf of the names community. Could this be ICANN, or the Empowered Community? (There already appear to be appropriate legal entities for protocol parameters (ISOC on behalf of IETF) and numbers (NRO on behalf of the RIRs, or the RIRs themselves)).
Agreements between communities and their selected IANA service provider	Footnote 8, page 2: Is it correct that the Operational Communities “enter” into these agreements, or do they designate with whom they prefer ICANN to contract, pursuant to the bylaws?	For protocol parameters (ISOC on behalf of IETF) and numbers (NRO or the RIRs), this is correct. Currently, there is no legal entity (other than ICANN) that would contract with an IANA service provider for names.
Identity of IANA service provider	Footnote 9, page 2: Is this PTI for now? Is there consensus? “their selected IANA service provider”	Yes, there is consensus that PTI is in fact the IANA service provider for the three operational communities. However, numbers and protocol parameters have MOUs with ICANN, which will in turn subcontract to PTI.
Entity performing IANA operations	Footnote 10, page 3: Please confirm that ICANN will be subcontracting these operations to PTI and therefore sublicensing must be permitted.	Correct.
C.1.b: “Registration of the domain names will be made through a registrar that requires approval from both administrative and technical contacts before [certain technical changes] to the domain name are made in the relevant registries; if the current registrar cannot provide this service, ICANN will move the registration to one that can provide the service as part	Footnote 14, page 3: Consider whether this should be for <u>any</u> changes that are made, not just technical?	For discussion. Do we have a sense of what changes “to the domain name [record]” are “technical” and which are not? Why would we exclude any changes from this rule?

Section/Concept	Sidley Comment	Proposed CWG Response
of the assignment of the domain names to the IETF Trust.”		
C.1.b.ii: “The Trust shall arrange sufficient funds to ensure renewal [of a domain name] is successful”	Footnote 15, page 3: What happens if the Trust doesn’t do this? Is it responsible to the communities?	The Trust needs to be responsible to the Communities. The Community Agreement needs to include oversight by accountability to the communities for these acts, with appropriate remedies for failure to perform.
C.1.b. vi/vii: “For changes to DS or NS records to be passed through the registry, such changes can be made entirely by the technical contact, but with <i>notification</i> to the administrative contact.” “Optionally, for changes to DS or NS records to be passed through the registry, such changes can be made by the administrative contact only with the <i>approval</i> of the technical contact”	Footnote 16, page 4: Is there a reason for this optionality?	The option allows for division of labor but makes it clear that the technical contact is ultimately responsible for making the change: a change made by technical contact only requires notification to the admin contact, while a change made by the admin contact requires <i>approval</i> by the technical contact.
C.2.d: “The IETF Trust will terminate the [IPR] license to ICANN or any successor, in whole, solely upon the instructions of the CCG or in part, solely upon the instructions of the relevant IANA IPR Rep(s)”	Footnote 17, page 5: This should track the escalation and dispute resolution process discussed below under the License grant in Part C.3.	Agree; this was just a high-level mention of concepts discussed in more detail in C.3. Note that the communities now contemplate 3 parallel License Agreements.
C.2.e: “The community agreement(s) will also include an agreement whereby the Trust delegates some or all of its quality control duties to the communities in accordance with each community’s practice and method of maintaining oversight and control over the quality of service provided to that community.	Footnote 18, page 5: There should be language that the Trust will agree to adhere to the IRP process in the ICANN Bylaws. The Trustees should not have unilateral power to pull back the Domain Names or Marks. There needs to be a well-defined process of community involvement to ensure transparency and process. If the parties don’t want to utilize the measures developed as	The escalation procedure in C.3.g deals with a situation where the Trust believes a license should be terminated for alleged quality control failures. Under this process, the Trustees do not have unilateral power to pull back the Domain Names or Marks. The C.3.g process points to the well-defined separation process if the issue relates solely to names. However, it is unclear

Section/Concept	Sidley Comment	Proposed CWG Response
Notwithstanding such delegation, the Trust will still have the ultimate responsibility for quality control.”	part of the CWG transition, then something will be needed in its stead.	what process would be used if the license was being terminated as to all 3 areas, or only to numbers and/or protocol parameters. This can be dealt with in the licenses and/or the Community Agreement. It is unclear whether the IRP is the appropriate process to apply in this instance (and if so, how)
C.3.b: “The Trust will be responsible for monitoring and controlling the quality of goods and services offered under the IANA IPR, including approvals of any material changes to such services, but may delegate such responsibility to each community with regard to services offered to that community”	Footnote 20, page 6: Who will undertake this task for each Operational Community?	This will refer in the full agreement(s) to the newly established procedures to be used by names (e.g., the CSC) and existing procedures used by names and protocol parameters, to oversee the quality of the IANA provider’s “goods and services.”
C.3.f: “The IETF Trust will be responsible for enforcing the IANA Marks against infringers, at its expense”	Footnote 21, page 6: How will IETF Trust pay for this? See footnote 26 below.	Need to check with the IETF Trust. Currently, we do not contemplate any fees or other revenue to IETF Trust as a result of holding or licensing the IANA IPR.
C.3.f: “Each party will use reasonable efforts to notify the other party and the IICG of any such infringement that comes to its attention”	Footnote 22, page 6: The term “IICG” is not defined	Should be “CCG”.
C.3.f: “IETF Trust will be entitled to retain all damages received as a result of its enforcement of the IANA Marks, after the expenses of ICANN, PTI, CCG, the operational communities and the Trust are reimbursed on a pro rata basis”	Footnote 23, page 6: Licensee should have a secondary right of enforcement if IETF Trust declines.	Agree; this can be reflected in the full agreement(s).
C.3.g: “If the IETF Trust believes that	Footnote 24, page 6: What if the IETF Trust	There must be oversight of the IETF Trust by the

Section/Concept	Sidley Comment	Proposed CWG Response
<p>Licensee has materially breached the agreement, the Trust will confer with the CCG regarding a course of action”</p>	<p>breaches?</p>	<p>communities and the IETF Trust needs to be accountable to the communities; this will be dealt with in the Community Agreement. Separately, we will need to consider whether and how a licensee (currently, ICANN) deals with a breach; this would be dealt with in the License Agreements. The communities should have a process to move the IANA IPR to a different owner if the IETF breaches and does not cure. Should this process be available to each community, to a majority of the communities, or only to all three communities? Would IETF then have a conflict of interest? Should this process be available to the licensee(s)? In each case, under what circumstances? Note that there may not be complete agreement with the IETF/IETF Trust regarding the power of a community or the communities over the IETF Trust, to be set out in the Community Agreement.</p>
<p>C.3.g.iii: “The community or communities will start the procedure <i>(in the case of naming, such procedure to be consistent with the requirements of the ICANN bylaws and the PTI-ICANN contract)</i>” to engage a new IANA service provider.</p>	<p>Footnote 25, page 7: This should recognize that there is an agreed upon procedure for a separation</p>	<p>The inserted language (in italics) does this for names. Need a similar reference for the other communities; however, this can be dealt with in the full agreement(s).</p>
<p>Fees (if any) paid to IETF</p>	<p>Footnote 26, page 7: Will there be fees to the IETF? How would they be calculated? How will IETF pay to satisfy the obligations required under this agreement, including the prosecution, maintenance, enforcement and defense of the</p>	<p>Currently, we do not contemplate any fees or other revenue to IETF Trust as a result of holding or licensing the IANA IPR. Need to check with IETF Trust regarding how it will pay.</p>

Section/Concept	Sidley Comment	Proposed CWG Response
	IANA Marks and IANA Domains?	