

**DT-IPR: DRAFT OF POTENTIAL PRINCIPLES AND REQUIREMENTS FOR OWNER OF IANA TRADEMARKS AND DOMAIN NAMES**

DT-IPR has been discussing potential principles and requirements for the post-transition owner of the IANA Trademarks and Domain Names. This is intended as an interim discussion draft for the CWG while the DT's work is in progress. There has been vigorous discussion of various principles and requirements, and the meaning attached to these principles and requirements. This document attempts to reflect the range of views expressed in the DT. Some of the proposed principles and requirements may be seen as incompatible with others; as such, this should not be read as an integrated proposal at this time.

**I. Principles and Requirements for the Post-Transition Owner of the IANA Trademarks and Domain Names**

1. The working assumption is that the owner will take the form of a Trust (noting that the IETF Trust is the only currently proposed owner and is one that is acceptable to the protocols and numbers communities).

Please note here the Sidley analysis about the problems and costs associated with setting up a new Trust

- a. Should it be a requirement that the names community have an equal say in the administration of the Trust, at least when it comes to managing the IANA trademarks and domain names?
- i. Achieved through the Trust governance documents
  - ii. Achieved through an advisory board specifically relating to the IANA trademarks and domain names
  - iii. Achieved by contract
- b. Should it be a requirement that the names community have an equal influence over the administration of the IANA trademarks and domain names?
- i. Achieved through an advisory board specifically relating to the IANA trademarks and domain names
  - ii. Achieved by contract
- c. Should it be a requirement that the names community be a beneficiary of the trust?

2. What does it mean for the Owner to be "neutral"?:—:

a. Ownership/Control:

- i. The "narrow" alternative: Does it mean that the Owner should not be captured by or be under the sole control of the IANA Functions Operator (IFO) (or any affiliate of the IFO)
- ii. The "broad" alternative: Does it mean that the Owner should not be captured by or be under the sole control of any of the three operational communities (OCs)?

b. Operations:

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**Comment [1]:** [https://community.icann.org/download/attachments/52891634/Memo\\_IPR\\_4Aug.pdf?version=1&modificationDate=1438956502000&api=v2](https://community.icann.org/download/attachments/52891634/Memo_IPR_4Aug.pdf?version=1&modificationDate=1438956502000&api=v2)

**Comment [2]:** Also, we assigned a new action on the 24 November call: Action (ICANN staff): Provide the DT-IPR with a cost estimate for setting up and running a trust with the three communities as beneficiaries.

**Comment [3]:** I've circulated the document so we can consider what to take from it.

**Comment [4]:** I suggest we need to answer this. Here's a scratch: "The Owner must be neutral: it must not be captured or under the sole control of the IANA functions operator (IFO)." I didn't include "should not be an IFO" because to be the IFO is to be under the sole control of the IFO, no?

- i. The Trust will be neutral and non-discriminatory; it will license the trademarks and make the domain available to whoever the relevant OC tells them to for their own registries
1. Issue: A trademark owner needs to exercise quality control in determining whether or not a licensee is suitable (i.e., will the potential licensee meet standards of quality in their operations and in their services so that there is no adverse impact on the reputation and goodwill associated with the trademark)
- b. ~~Owner should not be dominated by any of the operational communities~~
- c. ICANN Board statement relating to neutrality: "ICANN is prepared to transfer full ownership of the IANA-related trademarks to a neutral third party mutually agreed among the operational communities"<sup>1</sup>
- i. Should we clarify what the Board meant by a "neutral third party"?
- e.d. ~~Some in the DT contended that (a) and (d) are aligned with the other operational communities definition of neutral, and that this narrow definition should also be adopted by the CWG. Others supported the broader definition.~~
3. Owner must be responsive and responsible [accountable] to the three communities in some fashion.
- a. How responsive ~~does the Owner~~do they need to be?
- b. How much influence should the three OCs have over the actions of the Owner?
- c. Owner must be willing to allow usage of the domains and license the trademark to the IFO preferred by each individual OC
4. Owner must be capable of carrying out the responsibilities expected of a trademark owner and licensor, including:
- a. Quality Control over services offered by licensee(s) under IANA marks, with the understanding that the ability to terminate an IFO and license the mark and domain usage to a new IFO (~~if~~ requested [or approved] by an OC) is the ~~ultimate~~ most important form of quality control.
- b. Quality Control over how the IANA mark is used and displayed by licensee(s)
- c. Policing & enforcement of uses of trademark rights by unauthorized third parties
- d. Maintenance of trademark registrations
5. Ownership and management of the IANA trademarks and domain names is different than it would be for a normal commercial entity, in that the trademarks and domain names are being held by the Owner not to be used for normal commercial exploitation but instead are to be reserved solely to be licensed exclusively to the IFO (or potentially, one or more IFO's) for the narrow functions of the affected operational communities. Beyond this, the Owner will not exploit the trademark in the traditional sense, i.e., the Owner will not itself provide services under the IANA trademarks, nor will it license the trademarks to third parties other than the IFO (e.g., no licenses for products (apparel, electronic goods, etc.) or services).

**Comment [5]:** Neutrality means that the Trust will license the trademarks and make the domain available to whoever the relevant OC tells them to for their own registries. That's all

**Comment [6]:** I agree, I think item c is mute.

**Comment [7]:** I think this goes to a slightly different issue (operational neutrality) as opposed to neutrality in ownership or control, so I've broken this into two parts.

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**Comment [8]:** This needs to be clarified. What role should the Owner have, other than acting upon request of an OC? What are the legal requirements for a trademark owner in this scenario? Should the Owner have any ability to initiate a transfer, or to provide input to an OC regarding QC concerns? Should it be only a one-way street? Is this legally possible?

**Comment [9]:** Extreme might be a bit ambiguous. Replace with "last resort"?

**Comment [10]:** I'm replacing with "ultimate"

**Comment [11]:** Will work with this.

**Comment [12]:** I have now made some clarifying changes.

<sup>1</sup> <https://www.icann.org/news/announcement-2015-08-15-en>

6. Owner should have experience in holding trademarks, but also experience with issues relating to the Internet.
7. Owner should ensure that these assets are used in a nondiscriminatory manner for the benefit of the entire community
8. Owner must have necessary funding to carry out these responsibilities.
9. Owner must have access to employee(s) with experience and to **outside trademark counsel.**
10. Owner must be prepared to facilitate separation if requested by any OC (see II below for details)

## II. What are the requirements of the Owner in the event of separation?

1. Owner must not create risk to continued operations, stability and security of the IANA functions in the event of separation.
2. Owner must follow the directions of the community or communities initiating separation to the extent those instructions are compatible with the Owner's responsibilities.
3. Clear guidelines must be in place so that Owner can comply with orders from operational communities in case of separation and required transfer of licenses (or termination and grant of new licenses).
  - a. This could be operationalised through contract and bylaw requirements as well as the Trust document itself.
4. See *also* Sidley comments in relation to trust document requirements.
5. Question: How to balance Owner's obligation to approve any new licensee with the OCs' right to chose the new licensee (IFO) of their choice?

## III. Is the Owner's control/oversight over the mark(s) (i.e., Quality Control with licensees and Policing/Enforcement with unauthorized users) one of the principles or requirements for the names community?

### 1. Quality Control over Licensees

- a. A trademark owner has a legal obligation to exercise control/oversight over the marks and the business conducted under the marks, so this must be a guiding principle/requirement.
- b. However, this should not be the primary priority for the Owner.
- c. Primary focus should be to ensure that trademarks are being used in a manner consistent with the IANA Function.
- d. Quality control needs to be fit for purpose - needs to meet minimum requirements (legal requirements), but should not do more. Quality control has to meet the requirements / needs of all three communities. If any community has a concern about how IANA is performing in relation to trademark, a mechanism needs to be in place to address such concerns.
- e. Could quality control also be outsourced/delegated/subcontracted?
  - i. Certain amount of operational control could be subcontracted, for example to operational communities, but ultimate control/responsibility is with the trademark owner.

**Comment [13]:** What does this mean especially if the owner already indicated that they have competent employee. Why must the owner engage external council

**Comment [14]:** Not my bullet point, but I guess it's just a formality. Meaning that the owner must be authorized to contact outside counsel if necessary - to deal with unforeseen events.

**Comment [15]:** Unless the owner has in-house trademark counsel employed by the owner, they will require the assistance of external counsel for a variety of events (foreseen and unforeseen). These include including maintenance of existing trademark registrations, filing and prosecuting new trademark applications (if desired), watching for unauthorized third-party uses and enforcing the trademarks against unauthorized users (if a determination is made to do so), and advising the owner of requirements under applicable trademark laws.

**Comment [16]:** FWIW, the IETF trust's legal counsel does trademarks and patents. <https://www.linkedin.com/in/jorge-contreras-53683>

**Comment [17]:** Andrew, thanks for the information. I see that he is a law professor; does he still practice on the side? I also see that all of his publications seem to be patent-related. I tend to be wary of patent lawyers who dabble in trademarks (based on experience, not turf issues). In any event, there's no need to deal in generalities; it would probably be best to have a chat with Mr. Contreras at some appropriate point (I seem to recall that was offered previously).

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ii. Brand owner is required to exercise active quality control to meet minimum requirements.

f. Is it acceptable to the names community if quality control is delegated to the operational communities (according to each OC's responsibilities)?

g. *Question:* Has ICANN had to exercise quality control over uses of the IANA in any kind of licensor/licensee relationship? If so, how has this been done?

h. *Question:* How has IETF Trust exercised quality control with licensees?

## 2. Policing and Enforcement of Unauthorized Uses

a. Owner should be able to set up and monitor a "policing" process to look out for unauthorized third party uses of the trademarks (e.g., watching services)

2.3. Owner should have the capability to evaluate and, where appropriate, pursue and stop unauthorized uses through enforcement of the trademarks

## IV. Should the needs and requirements of all three OCs should be taken into consideration, and if so, how?

1. Yes, all three communities should be included in a solution, just as the ICG proposal has developed.
2. How can we ensure that the Owner will take the names community's needs and requirements into consideration?
3. Would the CWG require the Owner to be on an equal footing with all three communities?
  - a. For instance, should the Owner be controlled by all three communities?
  - b. We were informed by Andrew Sullivan that he thinks the IETF Trust will not change its governance structure - it's not a practical option and not an expected outcome. If requirements cannot be met by IETF Trust it may be more efficient and effective to create a new trust or consider whether there are contractual arrangements that could be put in place to meet the requirements without changing the governance structure.
  - c. If CWG were to start from scratch we might come up with a joint trust of all three communities
    - i. If this is a desired outcome, we would need advice on whether it's feasible within the current timeframe.

## V. Is IFO operational control of the [iana.org](http://iana.org) domain name one of the principles/requirements for the names community?

1. ICANN Board statement relating to [iana.org](http://iana.org): Transfer of IANA trademarks will be done with the understanding that "ICANN will maintain operational control of the [IANA.ORG](http://iana.org) domain for as long as ICANN remains the IANA Functions Operator"<sup>2</sup>
2. This Board position raises no issues, as long as "operational control" means the ability of the IFO to operate the domain according to normal DNS operational practices. The usual mechanism for this is to make the IFO the technical contact in the domain name registry, and ensure that the domain name registrant cannot either make delegation changes to the domain or remove the technical contact without the technical contact's agreement, except in cases where the

<sup>2</sup> <https://www.icann.org/news/announcement-2015-08-15-en>

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**Comment [18]:** I posted some earlier enforcement cases at <http://mm.icann.org/pipermail/cwg-stewardship/2015-August/004018.html>.

QC with licensees has always been by seeing the product. There haven't been many licensors, and they've generally been for one-time use, so the case is pretty rare.

At the moment there is one ongoing licensee, [http://trustee.ietf.org/docs/IETF\\_Trust\\_License\\_Agreement\\_Final\\_Executed.pdf](http://trustee.ietf.org/docs/IETF_Trust_License_Agreement_Final_Executed.pdf) This is AMS, which runs the secretariat. Policing is easy because we use all the licensed services every day of the world. Our one paid staff member, Ray Pelletier, is (was? I now forget) an attorney and is experienced in this sort of

**Comment [19]:** Is this question answered by this stuff? It'd be nice to have the question turn into a principle or a background fact or something so that we can ship this document.

**Comment [20]:** The highlighted question relates only to quality control with licensees, not policing & enforcement with unauthorized third parties. That said, it looks like we need to add a subsection on policing/enforcement, so the

**Comment [21]:** As for quality control with licensees, the AMS situation is unusual, in that you are a consumer (and probably the only consumer) of their services. Are there any examples where the licensee was providing

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**Comment [22]:** I think I don't understand this. It seems that this is either answered under one of the subparts of I.1, in which case we can get rid of it, or else it's a request that there be assurance that the Owner will actually live up

**Comment [23]:** I don't see an answer to this in Section I. As to how this can be promised, it could be done contractually or through the Trust's documentation.

**Comment [24]:** Isn't this really a duplicate of section I?

**Comment [25]:** I think this is a broader question (as stated in the title of the section) than the questions posed in Section I.

registrant instructs the registrar to remove the technical contact and the registrar informs the technical contact of that impending change before undertaking it.

3. Does CWG support this statement? If not, what are the concerns?

## VI. What recourse should the names community have if the Owner fails to perform, either operationally or at the time of separation?

1. Dispute resolution procedure (DRP), including the possibility of removing the IANA trademarks and domain names from the Owner?

### a. Two types of disputes:

- i. Disputes among the OCs
- ii. Disputes between the Owner and one or more OCs

### b. Separation as a remedy

- i. Separation should only be a remedy in disputes between OCs and the Owner, not in disputes among the OCs
- ii. Separation should not be a possibility as a result of a single OC's dispute with the Owner. It would need to be approved by [at least two of the]/[all three] OCs.
- iii. This is intended to be a stable, long-term relationship. There should be a high bar to "separation" from the Owner.

### a-c. Will need to design a DRP, using the Stewardship and Accountability groups' work as inspiration, but recognizing that disputes involving the 3 communities (and the Owner) are significantly different from those situations.

- i. Can be simple.
- ii. An Advisory Board could take the place of all or some part of any DRP.
- iii. Can be worked out later in the process.

## VII. Expectations of ICG and Other Operational Communities

1. It is the preference of the Internet Number Community that all relevant parties agree to the expectations of the Numbers Community as part of the transition.
2. The ICG notes that the operational communities are coordinating these details, and the ICG expects this coordination to continue during the implementation phase to ensure that the requirements are met. Some of the questions that the ICG received during the public comment period relate to the implementation details. These details will become clear as the communities proceed to plan the implementation.

## VIII. Potential Concerns

### 1. Potential concerns with setting up a new Trust

- a. Time
- b. Cost
- c. Set-up Issues
  - i. Specify/Identify Trustees
  - ii. Specify/Identify Beneficiary (or Beneficiaries)
  - iii. Purpose

**Comment [26]:** I don't actually see how this is possible. If the names community can do this, then in effect the "Owner" isn't really the owner, but a leaseholder or something like that.

**Comment [27]:** Clearly a trademark can be transferred from one owner to another (we are doing just that as part of the transition), so there is no issue of "leaseholding." Is your concern that one community should not be able to change the owner, since it is in essence a shared asset of the three communities? I've tried to address this in (b) below.

**Comment [28]:** The reason the trademark can be transferred right now is because ICANN is agreeing to it because it wants something else. But "possibility of removing" sounds like an uncooperative process, and if some other party has the possibility of taking your asset away from you that seems like a claim that they have moral ownership of the asset.

**Comment [29]:** Trademarks are transferred for all sorts of reasons. ICANN's reason is unique to the circumstances. The transfer to a new owner is also unique to the circumstances. Any new owner will be holding the mark as a sort of steward for the three OCs, and it is these OCs that we are talking about, not just "some other party." If the Owner (IETF or otherwise) were to think of this as entirely "their asset" that would be of great concern. Simply put, if the Owner does not meet the needs of the Operational Communities there needs to be a procedure for dealing with that, up to and including replacing the Owner if nothing short of that resolves the situation.

**Comment [30]:** What "separation" are we talking about here? Separation of the function from the then-current IANA operator? Because if we're trying to make rules about that, it won't do: that's up to the individual OC.

**Comment [31]:** No, we are talking here about separating the IPR from the Owner as a last-resort dispute resolution mechanism in disputes between one or more OCs and the Owner. Maybe we can use a different term than "separation" to avoid confusion -- perhaps "disgorgement" would be appropriate.

iv. Infrastructure  
d. Other Issues

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