

U.S. PATENT AND TRADEMARK OFFICE

IN THE MATTER OF: )  
 )  
UNITED STATES PATENT )  
AND TRADEMARK OFFICE )  
NON-FUNGIBLE TOKENS STUDY )  
 )

Tuesday,  
January 24, 2023  
The parties met remotely, pursuant to notice, at  
10:00 a.m.

PARTICIPANTS:

KATHI VIDAL, Undersecretary of Commerce for Intellectual property  
and Director of the U.S. Patent and Trademark Office  
BRANDEN RITCHIE, U.S. Patent and Trademark Office  
HOLLY LANCE, U.S. Patent and Trademark Office  
ANNA MANVILLE, U.S. Patent and Trademark Office

Panelists, Session 1:

DAVID A. CALLNER, M9 Solutions  
DOROTHY HARAMINAC, GreenVets, LLC and Kiribex  
SVETLANA ILNITSKAYA, Corsearch  
KARY OBERBRUNNER, Igniting Souls & Blockchain Life  
ELIZABETH GRABOWSKI, Unstoppable Domains, Inc.  
MORGAN REED, ACT | The App Association  
THOMAS BARRETT, EnCirca, Inc.

Panelists, Session 2:

BRIAN L. FRYE, University of Kentucky College of Law  
THAD CHALOEMTIARANA, American Bar Association (ABA) Section of  
Intellectual Property Law  
REBECCA TUSHNET, Harvard Law School  
JOSHUA FAIRFIELD, Washington and Lee University School of Law  
MARIA A. SCUNGIO, International Association for the Protection of  
Intellectual Property (AIPPI)  
VICTORIA SHECKLER, Recording Industry Association of America (RIAA)  
THOMAS BROOKE, International Trademark Association (INTA)  
SUSAN STEARNS, International Trademark Association (INTA)

Panelists, Session 3:

JESSICA NEER MCDONALD, Neer McD PLLC / Blockish IP

NEDEEN NASSER, Nasser Law  
MICHAEL A. GELLER, DLA Piper  
MOISH E. PELTZ, Falcon, Rappaport & Berkman, LLP  
FREDERIC ROCAFORT, Harris Bricken  
ALFRED STEINER, Meister & Steiner, PLLC  
NATALIA C. ARANOVICH, Aranovich Law Firm, PC  
JACQUELYN KNAPP, ASICS America Corporation  
ANGELA S. KALSI, Greensfelder, Hemker & Gale, PC  
JOE GUAGLIARDO, Dentons US, LLP  
KIMBERLY M. MAYNARD, Frankfurt, Kurnit, Klein & Selz, PC  
MARK JANSEN, Fenwick  
ELIANA TORRES, Nixon Peabody  
ADDAM KAUFMAN, Oracle  
GIULIA MAIENZA, Herbert Smith Freehills  
JUSTIN PIERCE, Venable LLP  
PETER K. JACKSON, Greenberg Glusker, LLP



1           Your remarks here today come at a very critical time. NFTs are  
2 seemingly everywhere. They are now being used in connection with  
3 products and services in such industries as music, fine arts,  
4 sports, finance, medicine, and so many others.

5           We here at the USPTO have already received more than 10,000  
6 trademark applications for NFT-related goods and services, and we  
7 expect that number to grow.

8           And I wanted to let you know that our work here that we're  
9 doing on NFTs is part of a broader umbrella where we're exploring  
10 AI and emerging technology. So I would invite you not only to get  
11 more involved in our discussions on NFTs, including the two  
12 upcoming sessions, but also to check out our AI/ET Partnership. The  
13 work that we're doing there will not only influence our policies  
14 around AI and all kinds of emerging technologies, they also  
15 influence our implementation of the same in terms of better  
16 servicing our customers.

17           I wanted to also let you know that we have an upcoming session  
18 for the AI/ET Partnership. It is going to be in Dallas and remote  
19 on February 8, and the topic will be innovation driven by AI.  
20 Lastly, I wanted to share that we are doing everything we can here  
21 at the USPTO to make sure we're incentivizing more innovation from  
22 more people throughout the country, especially in key technology  
23 and emerging technology areas, and then making sure that we have  
24 the laws, the policies that help protect that innovation and help  
25 Americans get that innovation to impact.

26           In addition to the great work that our team is doing here, we  
27 are working on the Council for Inclusive Innovation and have a lot  
28 of initiatives under that umbrella that you can find on our  
29 website.

30           And we recently launched the Women's Entrepreneurship  
31 Initiative and are having a lot of content around that to help

1 drive innovation. We welcome your participation in all of that.  
2 Everybody is invited and welcome to WE.

3 With that, we look forward to your conversations and your  
4 input today and reading your written submissions, and I will turn  
5 things over to the team and thank them for the great work. Thank  
6 you.

7 <BRANDEN RITCHIE> Director Vidal, your remarks are great, and  
8 we really appreciate your remarks. I'd like to welcome the  
9 panelists and audience members as well. I'm Branden Ritchie, Senior  
10 Attorney for domestic trademark policy at the PTO's Office of  
11 Policy and International Affairs, and I'll be moderating the first  
12 panel of today's three panels of the roundtable.

13 During this panel, we'll hear from panelists who have  
14 knowledge and experience regarding the technological aspects of  
15 NFTs, NFT platforms, and NFT's relationships to both the underlying  
16 assets they define and intellectual property rights in those  
17 assets.

18 As the Director shared, your input is critically important to  
19 help ensure we have a full understanding from all perspectives of  
20 these emerging technologies, including any challenges and  
21 opportunities they present for IP holders and new entrepreneurs to  
22 obtain, protect, and enforce the rights.

23 During your remarks today, you may address any issues you  
24 believe relevant to the study that's being conducted by the USPTO  
25 and the Copyright Office. You may also address the questions posed  
26 in the joint Federal Register Notice published on November 23,  
27 2022, or you may raise any additional issues you believe are  
28 important for the Offices to consider as we conduct the study.

29 Before we begin, I'd like to remind everybody of an important  
30 ground rule for today's panels. We're very fortunate to have a

1 large number of speaking requests for today's roundtable. We'll  
2 hear from a number of perspectives, and that's great.

3 But to ensure that all the panelists have a sufficient  
4 opportunity to share their perspectives, we've asked that speakers  
5 limit their remarks to five minutes each and to prioritize the  
6 issues they believe should be raised.

7 And we'll strictly enforce that timeline. So when you get to  
8 the five minute mark, please forgive me for jumping in and  
9 reminding you to wrap up, or hopefully you will be wrapping up at  
10 that point. And of course with the time limit, we also welcome  
11 panelists to expand upon their remarks by submitting written  
12 comments in response to the FRN that we published. The deadline for  
13 submitting comments is February 3, 2023.

14 With that, let's begin our first panel.

15 Our first panelist is David Callner with M9 Solutions. And  
16 we're not going to have any further ado. We're going to David.  
17 You're recognized for five minutes, so please begin.

18 <DAVID CALLNER> Thank you for conducting this panel discussion  
19 today. I am delighted to have the opportunity to discuss our  
20 experience with you.

21 My name is David Callner. I currently serve as the Chief  
22 Growth Officer for M9 Solutions, a small business which currently  
23 supports over 27 federal agencies, providing digital transformation  
24 and modernization to some of the most critical systems in the  
25 government today, to include TSA Secure Flight, hundreds of  
26 applications at the IRS, Farmers.gov, and HealthCare.gov, and the  
27 Department of Energy's critical infrastructure, just to name a few.

28 I have served as a government contractor for the past 20 years  
29 in multiple capacities. From a software developer modernizing one  
30 of the FAA's largest legacy mainframe system, to a modern - at the  
31 time - Ada 95 Solution, to now recently deploying AI solutions that

1 provide insider threat through anomaly detection for NIH and I also  
2 provided biometric SATCOM solutions for Department of State to  
3 check individuals entering embassies. And pertinent to today's  
4 discussions are lessons learned and opportunities that we uncovered  
5 from M9's investment to build a prototype for a trademark NFT  
6 marketplace.

7 Here at M9 Solutions, we're a system integrator services  
8 provider for the government, specializing in DevSecOps, cloud,  
9 cybersecurity, data science, and analytics.

10 At M9, we look at ourselves more than just a contractor trying  
11 to provide services for a particular requirement that's already  
12 been identified. We leverage our expertise from our specialists in  
13 our practice areas to help support the mission of our customers.

14 USPTO has been undergoing several digital transformation  
15 advancements over the past few years to include the transformation  
16 from project to product Agile management, leveraging DevSecOps, CX  
17 best practices, and AI/ML augmented-assisted tools to transform the  
18 USPTO landscape into a modern software factory.

19 With the recent advancements in Web 3.0 and blockchain  
20 technology, our data science and analytics practice wanted to flush  
21 out the idea of building a trademark NFT marketplace. Given the  
22 accountability, security, transparency, and immutability nature of  
23 blockchain, this can have a significant impact in the field of  
24 intellectual property.

25 We prototyped a trademark NFT marketplace to demonstrate how  
26 the community can create, license, and buy trademarks in the Web  
27 3.0 metaverse. Our prototype, inspired by numerous trademark  
28 exchanges that exist today. We built the NFT trademark marketplace  
29 as the next evolution of these trademark exchanges. We hope to find  
30 a way for small businesses and owners of trademarks that currently  
31 do not have the money to afford the lawyer fees it costs to

1 transfer a trademark, or license a trademark, to give them a new  
2 revenue stream.

3 We quickly learned that Ethereum does not support the  
4 licensing. Although we did find a way to do it, it would require  
5 users to only use our marketplace, or similar ones that would  
6 implement the capabilities needed to license an NFT, which is  
7 against the Web 3.0 principles, as we want the ability to mint a  
8 trademark as an NFT and let any marketplace sell, license, or buy  
9 these trademarks to support the democratization at the edge.

10 The technical process of minting a trademark as an NFT is no  
11 different than minting any digital artwork as an NFT. But there's  
12 some potential legal and technological constraints around minting a  
13 trademark as an NFT.

14 Today, nothing is stopping a bad actor from writing a script  
15 to mint every single trademark that exists today in the USPTO  
16 database into NFTs and selling them on every single marketplace  
17 that supports the blockchain that they decide to use.

18 This obviously has potential legal aspects for the bad actor,  
19 marketplace owners who end up supporting, without knowing, the  
20 illegal sale of a trademark, and potentially USPTO for not securing  
21 these digital assets.

22 We recognize the process today, for legal sale of a trademark,  
23 requires both the seller and buyer to provide legal documents of  
24 that sale to USPTO for registration purposes. But does the public  
25 know that? And is that enough to stop the potential of millions or  
26 billions of dollars of illegal trademark sales on blockchains? The  
27 potential impacts of implementing trademarks of NFTs will  
28 accelerate industry's adoption of Web 3.0, a decentralized and fair  
29 internet where users control their own data, identity, and destiny.

30 Control of content and the monetization of that content should  
31 be an inherent right to consumers and producers of the internet.



1 The increasing risk of cybercrime, global cyberwarfare, corporation  
2 monopolization of the monetization of content, and the illegal  
3 services offered on the internet is forcing this adoption and  
4 change. It's time for the government to lead the technology  
5 advancement for the betterment of citizenry. Thank you.

6 <BRANDEN RITCHIE> Thank you, Mr. Callner. Thank you very much.  
7 Our next panelist is Dorothy Haraminac from GreenVets, LLC. Ms.  
8 Haraminac, you may begin.

9 <DORTHY HARAMINAC> Thank you. I am Dorothy Haraminac, Master  
10 Analyst in Financial Forensics, Certified Fraud Examiner, and a  
11 licensed private investigator. I provide economic damage  
12 calculations, asset tracing and valuation in complex disputes, and  
13 am one of the first civil court qualified experts on cryptocurrency  
14 tracing, which is now becoming known as blockchain forensics.

15 I served on the Advisory Board for Houston Christian  
16 University, on the Editorial Board for The Value Examiner, and was  
17 chair of the Litigation Forensics Board for NACVA, where I  
18 spearheaded the direct acknowledgement of military experience in  
19 lieu of a degree for the MAFF Credential, making it one of the  
20 first NASBA-accredited financial credentials to do so.

21 I'm also a professor of cyber engineering, like to garden in  
22 my spare time, and have been involved in several blockchain  
23 startups. The most recent uses a cryptocurrency and an NFT issuance  
24 process to establish and maintain provenance for carbon removal  
25 efforts.

26 I'm here today because I want the USPTO to recognize the  
27 industry boundaries within a specific metaverse and want to avoid  
28 granting blanket applications that list the metaverse as a singular  
29 industry.

30 This wouldn't require additional regulations, but would  
31 require a narrow enforcement of existing policy. The general theme

1 I've noticed is that NFT creators and trademark holders are somehow  
2 presented as being at odds.

3 That theme is a myth. NFT creators need a way to protect, use,  
4 and transfer their creations. They have a mechanism already through  
5 the Trademark Office, so I'd like to see additional guidance from  
6 the USPTO directly targeted to NFT creators, resellers, and  
7 collectors. That's it. It's a short one.

8 <BRANDEN RITCHIE> Thank you. Thank you, Ms. Haraminac. Thank  
9 you very much. Our next speaker is Ram Shanmugam from Heera  
10 Digital. Mr. Shanmugam, you may begin. Perhaps Mr. Shanmugam is not  
11 ready to speak yet, so perhaps what we'll do is we'll go to our  
12 next panelist and then come back.

13 Let's go to our next panelist. Svetlana Ilnitskaya from  
14 Corsearch. Ms. Ilnitskaya, you may present.

15 <SVETLANA ILNITSKAYA> Thank you, Branden. I'm Director of  
16 Customer Strategy at Corsearch, and today I represent a tech sector  
17 that provides solutions for managing and protecting intellectual  
18 property rights across a wide range of online channels.

19 At Corsearch, we have developed a solution that specifically  
20 addresses the IP challenges IP owners face on NFT marketplaces.  
21 This means that IP owners detect, analyze, enforce, and report  
22 instances of IP infringement using our platform.

23 The platform currently covers five major NFT marketplaces,  
24 with the most problematic being OpenSea, followed by Rarible and  
25 Mintable. We also cooperate with these NFT marketplaces and  
26 platforms on reactive as well as proactive solutions for IP  
27 infringement.

28 My comments today are based on the data that we observed for  
29 hundreds of IP assets from wide range of industries, including  
30 fashion, consumer goods, sports, entertainment, and others. I will

1 now address the IP-related challenges observed on NFT marketplaces  
2 and enforcement practices.

3 The most common type of IP infringement is the unauthorized  
4 use of trademarks. In these cases, the trademark appears within the  
5 underlying digital asset itself or is used to advertise the digital  
6 asset for sale.

7 Counterfeit NFTs are often considered the most damaging for  
8 the IP owner and the buyer. Counterfeit NFTs are digital assets  
9 that are falsely represented as authentic and unique, but are  
10 copies or replicas of their original NFT. These counterfeit NFTs  
11 are often created and sold by fraudsters with the intent to deceive  
12 buyers into paying for a fake or duplicate NFT.

13 NFTs are commonly treated as unique digital assets that could  
14 be verified on a blockchain. They are used to document the  
15 authenticity of an asset by providing a tamper-proof record of its  
16 ownership and provenance. However, NFTs only provide a record of  
17 ownership and provenance, not necessarily a guarantee of  
18 authenticity.

19 While an NFT can verify that a particular item is an original  
20 item, it does not prove that the item is genuine and not a  
21 counterfeit. NFTs are relatively new technology, and many people  
22 are still not familiar with how they work or how to identify  
23 legitimate NFTs from a counterfeit one and this can make it  
24 difficult for buyers to know what they are purchasing. In practice,  
25 it can be difficult for a regular user to authenticate the minted  
26 ownership of NFT.

27 Infringers employ impersonating techniques to deceive buyers.  
28 These include the use of IP owners' trademarks in NFT description,  
29 collection, or user account names.

30 Finally, we observe the sale of NFT domains that feature IP  
31 owners' trademarks without authorization. NFT domains can be used

1 to create digital identities linked to a crypto wallet, create a  
2 website, or build decentralized applications. Therefore, infringing  
3 NFT domains cause a higher risk of potential scams.

4 The IP infringement associated with NFTs leads to brand  
5 delusion, revenue loss, consumer trust issues, and undermine  
6 business strategy and IP value. The level of IP infringement we  
7 observed in NFT marketplaces is often higher than what we observed  
8 on other online channels such as marketplaces, for example.

9 For one of the IP owners that we work with in the footwear  
10 and apparel sector, over 100,000 infringing NFTs are reported per  
11 month to the NFT marketplaces. So when IP infringement is detected,  
12 it's commonly reported to the NFT platform through established IP  
13 reporting channels.

14 Ninety percent of takedown requests sent by the IP owners that  
15 we work with are targeting trademark-infringing content and are  
16 based on trademark rights. The remaining number of IP owners  
17 initiate enforcement action using other IPRs, such as copyrights.

18 Eighty-six percent of the notices of trademark infringement  
19 used trademarks registered in classes 9 or 35. Only a few IP  
20 owners, again that we work with, used well-known trademarks  
21 registered in other classes.

22 The NFT marketplaces that we cover operate within the United  
23 States. Therefore, trademarks registered in the United States, with  
24 a few exceptions, have been used in enforcement. The takedown  
25 success rate against properly-enforced trademark infringement is  
26 close to 100% on the NFT platforms that we work with. A very small  
27 percentage of infringing NFTs reported by the IP owners have not  
28 been removed due to the issues raised around fair or artistic  
29 views.

30 It's important, however, to note that the decision to remove  
31 an NFT from an NFT marketplace does not remove the NFT from the

1 blockchain or any other platform. Deleting NFT from a blockchain  
2 can only be done by a party possessing the NFT in their crypto  
3 wallet. And this concludes my comments. Thank you very much.

4 <BRANDEN RITCHIE> Thank you very much. Let's go back to Mr.  
5 Shanmugam. Are you in the panel now? If so, you are now recognized  
6 to speak.

7  
8 Okay, we will come back to him. And our next panelist will be  
9 Dr. Kary Oberbrunner. Dr. Oberbrunner, you have the floor.

10 <KARY OBERBRUNNER> All right. Folks it's great to be here, and  
11 I'm going to be sharing my screen, so if you can see that, if you  
12 could give me a confirmation, USPTO, that would be fantastic.

13 <BRANDEN RITCHIE> Yes. Thank you.

14 <KARY OBERBRUNNER> Fantastic. All right. It's a pleasure to  
15 be here. I want to give a big shout out to Kathy Vidal, Branden  
16 Ritchie, and the entire USPTO.

17 If you look at the screen here, these technologies have caused  
18 a major disruption: Bitcoin, Uber, Netflix, Alibaba, Airbnb,  
19 Amazon, and Facebook. It's interesting to note that all of these  
20 have caused disruption because friction has emerged. And friction  
21 always costs time and money. And that's why I believe that we're  
22 here today.

23 It's my deep privilege to thank the USPTO for recognizing this  
24 friction and wanting to solve it. So why are we here? I believe  
25 we're here because disruption and decentralization is upon us.

26 I run two companies. One is Igniting Souls. We are a book  
27 publisher, and I love my authors. They are all over the world, and  
28 we essentially do IP publication. We have reached many different  
29 people, and they are all excited about this message today because  
30 it affects them.

1           We also focus on IP promotion. We take a book and turn it into  
2 18 streams of income. As you look at these 18 streams of income,  
3 you can see that NFTs play a role. I believe the world is changing,  
4 and the question is, are we going to be ready or are we going to be  
5 left behind?

6           In my recent book, *Blockchain Life*, I talk about the three  
7 different types of internet: Web1, Web2, and Web3. We are now in  
8 Web3, where it's a creator economy, where essentially people are  
9 creating, and they themselves own the creation. This is a  
10 divergence from Web2 and Web1, and big tech. That therefore, many  
11 creators are excited about this new internet.

12           Specifically today, we're talking about intellectual property  
13 and an evolution of what that means. If you look at this chart, the  
14 S&P 500 in 1975 was represented by 17% of intangible assets. These  
15 are patents. These are trademarks. These are copyrights. We've  
16 shifted. In 2020, it is now 90%. Ninety percent of the S&P 500 is  
17 essentially intangible assets, trademarks being one of them.

18           We moved as a company because we saw this trend. We moved into  
19 IP protection, and therefore, I started another company called  
20 *Blockchain Life*. Therefore, we are now taking all of our authors,  
21 and we are trying to protect their IP upon publication. We believe  
22 it's part of the formula.

23           Consumers today, they feel this pressure. They feel like  
24 there's too much friction. I've chatted with people and they say,  
25 "look, to get my trademark approved costs too much time, it costs  
26 too much money." And so some bad actors are just literally saying,  
27 "look, I'm not going to go to the Trademark Office. I'm going to  
28 just use my Mac or my PC and create unregistered trademarks."

29           I don't think anybody wins in this situation. I think it  
30 creates brand confusion. And of course, we can do this with a  
31 couple keystrokes. I think we need a different type of process.

1 I believe we're at a wet signature moment. What I mean by that  
2 is that when wet signatures were replaced by digital signatures, it  
3 opened up entire progress. And I believe that with the USPTO  
4 focusing on NFTs, we can also open up incredible progress by  
5 removing this friction.

6 In conclusion, I believe that intellectual property can be  
7 better, cheaper, faster, and easier and NFTs are the vehicle. NFTs  
8 will reduce this friction and propel new growth and progress by  
9 creating smart contracts that are timestamped. And so blockchain  
10 technology is the railway, NFTs are the assets, smart contracts are  
11 essentially the code, and IP protection can now be better, cheaper,  
12 easier, and faster. Blockchain, I don't have time to go into it,  
13 but it obviously is superior for many different reasons.

14 Smart contracts are on the rise. They have incredible  
15 benefits, and that's why we're here today. Mobile wallets are what  
16 we will be carrying in the future to prove our NFTs. Mobile wallets  
17 are where we are going to be carrying our IP of the future. It's  
18 where we carry medical records, health tracking, document storage.  
19 It's very difficult to carry a paper or a filing cabinet that  
20 proves our trademark. Digital wallets and smartphones are what  
21 allows us to carry our NFTs of the future.

22 In conclusion, the world is changing, and I believe that we  
23 all want to be ready. The incredible panelists here with me, I  
24 believe, echo this, and it was an honor to speak with you today.

25 <BRANDEN RITCHIE> Thank you, Dr. Oberbrunner. Thank you very  
26 much. Our next speaker is Elizabeth Grabowski with Unstoppable  
27 Domains Inc. Ms. Grabowski, you have the floor.

28 <ELIZABETH GRABOWSKI> Thank you. Good morning, and thank you  
29 for giving Unstoppable Domains the opportunity to participate  
30 today. Unstoppable Domains highly respects the work of the USPTO,  
31 and we regard the USPTO as essential to enabling the modern tech

1 industry by upholding the intellectual property rights of  
2 contributors to this economy.

3 Unstoppable Domains sits in an emerging space within the  
4 broader crypto, blockchain and NFT industry. We create Web3 domains  
5 which are minted as NFTs. Web3 domains are much different from  
6 domains used in the traditional ICANN-regulated Web2 space.

7 Web3 domains function as a unique identifier on the  
8 blockchain. They can serve as an identifier for a decentralized web  
9 address and to identify crypto wallets, simplifying cryptocurrency  
10 payment routing by replacing long, unintelligible crypto wallet  
11 addresses with a simple human-readable address.

12 There are a number of additional current and future use cases  
13 for these unique Web3 domains. Currently, our customers can use  
14 their domain as a base-level digital identity using the Web3 domain  
15 to verify social media accounts and display an NFT profile picture.  
16 They can also use their Web3 domain as a universal login ID for a  
17 number of crypto applications that have integrated with Unstoppable  
18 Domains.

19 Web3 domains have the potential to expand to many more use  
20 cases. Unstoppable Domains predicts that digital identity use cases  
21 will continue to expand and give people a central identity for the  
22 digital world and a repository for their identity data. Web3  
23 domains will become key markers of digital identity on the  
24 blockchain, and we have recently launched an industry group called  
25 the Web3 Domain Alliance to foster development and interoperability  
26 in the Web3 domain industry.

27 Given the potential and continued growth of the Web3 domain  
28 industry, we believe that it's important for governmental bodies,  
29 industry players, and the public to be aware of IP-related  
30 challenges and opportunities associated with the Web3 domains.



1           We've identified two key trademark challenges for the Web3  
2 domain industry. First, it has been a challenge for IP rights  
3 holders in the Web3 domain industry to obtain federal recognition  
4 of their rights. The USPTO has an opportunity to support this new  
5 field and foster innovation by extending trademark protection to  
6 Web3 domains.

7           Each company offering Web3 domains uses different top-level  
8 domains to distinguish it from other sources of these goods, and  
9 consumers in this industry closely associate top-level domains with  
10 specific sources. For example, they widely know that .ETH domains  
11 are offered by the Ethereum naming service, and .CRYPTO domains are  
12 offered by Unstoppable Domains.

13           Distinguishing source matters to the consumer for several  
14 reasons, including that the utility of the Web3 domains is not  
15 uniform across providers. For example, Web3 domains from some  
16 providers are only usable as a Web domain, whereas Web3 domains  
17 from other sources are also usable as a payment alias and more.

18           Top-level Web3 domain extensions also need to remain exclusive  
19 to a single source for the purpose of consumer protection. If  
20 multiple companies are permitted to create and sell Web3 domains  
21 utilizing the same top-level domain, it will inevitably lead to  
22 duplicate domains being released to the market. For example, if  
23 there are two Elizabeth.crypto domains in the market, one by  
24 Unstoppable Domains and one created by another company, it would  
25 create a functional collision in which consumer cryptocurrency  
26 transactions might be irreversibly routed to the wrong  
27 Elizabeth.crypto address.

28           Thus, Web3 domains function in a delicate ecosystem that  
29 currently relies on voluntary avoidance of namespace collisions. If  
30 the uniqueness of the source from which the Web3 domain originates  
31 is not protected, it will allow bad actors to pass off as their own

1 the goods of companies that have worked hard to build their brands  
2 and deeply harm consumers.

3 We hope that the USPTO will choose to play a meaningful role  
4 in protecting the development of this industry and the IP rights of  
5 innovators in it.

6 The second key challenge is that trademark holders face unique  
7 hurdles to brand protection in Web3 domains. Due to the technical  
8 features of a blockchain, an NFT currently cannot be recalled by a  
9 third party, and therefore blockchain domain systems are  
10 technologically unable to offer centralized brand ownership dispute  
11 resolution services.

12 We are endeavoring to protect the interests of trademark  
13 holders by making domains associated with a trademarked term  
14 unavailable for purchase on our website. We release these domains  
15 only to verified trademark holders.

16 However, the nature of blockchain architecture depends heavily  
17 on correctly identifying and protecting branded terms before  
18 opening a domain registry. Unstoppable has joined the International  
19 Trademark Association in an effort to better understand the  
20 challenges that trademark holders face in protecting their marks in  
21 the Web3 domain space and to work together with other stakeholders  
22 to find solutions, especially as the industry continues to develop.

23 Thank you for your time today. We feel privileged to be able  
24 to bring attention to the needs of our consumers and stakeholders  
25 who care greatly about the integrity of our systems and the ability  
26 to protect their IP rights and contributions. We look forward to  
27 more direction, guidance, and engagement from the USPTO.

28 <BRANDEN RITCHIE> Thank you very much, Ms. Grabowski. Next up  
29 is Morgan Reed from the App Association. Mr. Reed, you may begin.

30 <MORGAN REED> Good morning everyone. Hopefully I can be heard.  
31 I think we've had some really great panelists here at the

1 beginning. I'm going to try to take a step back from the earlier  
2 points, and I'm sure that some of my analogies will cause some of  
3 my fellow panelists to cringe, but hopefully we can get through  
4 this in a way that moves us forward.

5 As Branden said, my name is Morgan Reed. I'm the president of  
6 The App Association. I am a recovering software developer and have  
7 the pleasure of leading an organization that represents thousands  
8 of small and medium-sized companies throughout out the world.

9 We are also heavily engaged, as Elizabeth is hinting at, on  
10 issues around domain names, and we spend a lot of our time  
11 traveling the world on the circus that is known as ICANN and IGF. I  
12 thought her points were great about how we're going to deal with  
13 these as domain names, but I want to bubble up some of the great  
14 points that were raised by earlier panelists at a conceptual level.

15 In some ways, the world of NFTs kind of got wrapped around the  
16 ape image and this idea of, wait a minute, why is there value to  
17 something that I could screenshot and stick on my desktop if the  
18 image itself is what's so valuable?

19 And what I think we have to understand, and a lot of our  
20 fellow panelists get this, is that an NFT is really a container for  
21 rights or experiences or other assets. And so when we're talking  
22 about NFTs and we're hearing from David earlier and others about  
23 NFT exchanges, what they're really talking about is the NFT as a  
24 vehicle to contain experiences, rights, products, or other services  
25 that are inside of this container that we use under NFT.

26 And at its base level, most of you understand that blockchain  
27 is essentially a distributed ledger, a way to mark one thing  
28 against another and see does it match up? Is it what I expected it  
29 to be? And a way for us to verify some of that baseline  
30 information.

1           Really, at its core, NFT is a container, and what it contains  
2 often is smart contracts. The ability of a contract to basically  
3 provide access to licenses or assets in a more granular and  
4 disintermediated way. I can use a smart contract to create a  
5 pricing cascade for rights where I don't have to go back and spend  
6 money on lawyers and faxing contracts back and forth for each  
7 layer. In the music space, an example would be, with one of our  
8 members, to use NFTs to distribute rights to producers that then  
9 have a long trail of what every right is.

10           If I want to do a song using an asset that's in the song that  
11 you've created and the beats were written by Branden Ritchie -  
12 who's a great DJ - I can pull that out, use that asset, ensure that  
13 Branden is properly compensated, that the producer is compensated  
14 and it doesn't matter if there was a basement fire at the  
15 producer's shop or they went out of business or they were acquired.  
16 I can keep track of those rights. I can keep track of who was in  
17 the chain for that.

18           Now, I want to be careful here because one of the things that  
19 all the panelists have brought up and will be a critical area for  
20 the Patent and Trademark Office is this concept of ownership versus  
21 possession. That's something that we're going to have to deal with,  
22 and we do look for the Copyright and Trademark Office to spend time  
23 thinking about ways to help us with that.

24           On the limited time, I want to give two other examples that I  
25 think are ways in which the ability for an NFT to distribute rights  
26 in a disintermediated or low-cost way is really interesting around  
27 the trademark concept.

28           In a previous life, I used to spend a lot of time with  
29 franchisees in Taco Bell land. And one of the things that's very  
30 interesting is the difference between a Taco Bell owner of a store

1 and the corporate entity that grants their license and the right to  
2 become a franchisee.

3 There's a giant, thick book that you get when you become a  
4 franchisee, and in it contains rules about what rights you have,  
5 how you can use the logo, etc., etc., etc. But an NFT will be a  
6 much better way to communicate that.

7 Now, imagine you're a Taco Bell franchisee and you want to run  
8 an ad in your local area, or you have some creative marketing ways  
9 that you want to do it. I can now distribute or allow access to the  
10 information on that NFT to my ad agency, or the local shop in my  
11 small business in America, to know that, one, I have the right to  
12 use the trademarked logo that Taco Bell has and to allow them to  
13 seamlessly check out those digital assets from Taco Bell  
14 headquarters, place it in my ad and move it forward.

15 But it also provides some restrictions because, for example,  
16 let's say the local high school uses puce as its color. I don't  
17 know why they ever would, but maybe they do. Now, all of a sudden,  
18 when that digital asset is checked out and checked against my NFT  
19 smart contract internally, it will say, "no, you can't change the  
20 color for the Taco Bell logo, but you can use it in the following  
21 ways."

22 And so I want to just make sure that we all understand at its  
23 core, the NFT operates as a container. That container can have  
24 rights, it can have experiences, it can have other functions, and  
25 the trademark capabilities that are within it are great, and on top  
26 of it, the way to protect brands, identities, and experiences is  
27 incredibly valuable. And I look forward to any other questions  
28 about how we can kind of get the baseline understanding of what  
29 goes into these NFTs and why are they so fascinating to those of us  
30 in the IP space. Thanks, Branden.

1 <BRANDEN RITCHIE> Thank you very much, Mr. Reed. We may have  
2 some time for some extra comments by the panelists. I just wanted  
3 to give a heads up of that, that we may have time for a minute or  
4 two of additional remarks.

5 I may pose a few questions that could be addressed, but the  
6 floor is yours if we have extra time. So, just as a heads up, there  
7 might be a little more time after our last speaker.

8 And with that, I will recognize our next speaker, Thomas  
9 Barrett from EnCirca, Inc. Mr. Barrett, you have the floor.

10 <THOMAS BARRETT> Thank you, Branden. Let me share my screen as  
11 well. Thank you for the opportunity to talk today. Let me know if  
12 you can see my screen. There you go.

13 I am the founder and president of EnCirca. We're an ICANN-  
14 accredited domain name registrar. I'm also the founder of  
15 Altroots.com, which is a Web3 domain trademark search engine. And  
16 also I'm the chair of the INTA Blockchain Subcommittee.

17 We actually, the next panel, have two of our members  
18 representing INTA and will lay out INTA's position on many of your  
19 questions. I'm also coordinating the written response for your 13  
20 questions from the INTA.

21 The INTA, by the way, we spent 2022 working on an NFT white  
22 paper, and many of our recommendations foretell collaboration with  
23 the USPTO, the EUIPO, etc. And so we're looking forward to  
24 continuing a dialogue with the USPTO.

25 I just want to make three points today, and I should have put  
26 this into slideshow. Do that right now. There you go.

27 So I have a feeling of déjà vu, and my first comment is, let's  
28 have history be our guide. Back in the 90s when the web took off,  
29 there was a Wild West sort of chaos in terms of cybersquatting and  
30 trademark infringement. And eventually the industry figured it out

1 and implemented rights protection mechanisms to combat trademark  
2 abuse.

3 In fact, 25 years ago this month, January 30th, I believe, the  
4 NTIA issued a proposal that became known as the Green Paper. If you  
5 recall, exactly nine months after that call, the group called ICANN  
6 was formed and has become a beacon of internet governance,  
7 especially when it comes to building consumer confidence and  
8 protecting trademark rights.

9 And so my message here is really for those folks in Congress  
10 that are under pressure to do something about the meltdown of  
11 various cryptocurrency platforms such as FTX and Genesis is, by all  
12 means, pass legislation to regulate cryptocurrency, but give NFTs a  
13 chance to self-regulate itself to protect trademark rights.

14 I believe NFTs will soon have its own Green Paper moment.  
15 We're very convinced that NFTs and metaverse are not a new  
16 ecosystem where existing trademark rights don't exist, and they  
17 should be recognized, and trademark owners should be able to  
18 enforce their rights in these ecosystems. And so the NFT industry  
19 will soon start to self-regulate and address trademark  
20 infringement. There will be the emergence of trademark dispute  
21 policies for both virtual goods on metaverse as well as Web3 domain  
22 names that several other people have talked about. I believe that  
23 the INTA and WIPO will gladly participate with the NFT industry to  
24 come up with a mutually agreeable dispute process to stop trademark  
25 cybersquatting with NFTs.

26 My second comment has to do with Web3 domain names in  
27 particular. This is a quote from the USPTO back in 2012. If you  
28 recall, ICANN was launching a new round of TLDs, and many of the  
29 applicants for generic strings attempted to register trademark  
30 applications to give them additional leverage during the ICANN  
31 process.

1           This is actually a response to a .BANK application that had  
2 slipped through, that the USPTO decided to revoke. They said "The  
3 imminent expansion of available generic TLDs underscores the  
4 consumer perception that TLDs used in connection with domain name  
5 registration services should be perceived as TLDs rather than as  
6 source indicators."

7           Fast forward to 2023, and we see the blockchain has spawned  
8 millions of alternative routes, all unregulated by ICANN. ICANN,  
9 for example, has 1300 extensions today. There's nearly 10 million  
10 on the blockchain. Now, not everyone agrees these are domain names,  
11 even though they look like domain names, and you can put them into  
12 your browser, and they resolve like domain names, so they go under  
13 other terms. They might be called usernames, wallet handles,  
14 avatars, digital identifiers.

15           So many of these you'll start to see, I believe, a flood of  
16 new registrations into the USPTO, but not necessarily to gain a  
17 leverage as applicants in the next ICANN round, but to perhaps to  
18 stop colliding TLDs from applying for ICANN TLDs. The USPTO needs  
19 to consider carefully whether and how these might be treated  
20 differently than domain names and domain name registries.

21           Those are my comments for today. Again, thank you for your  
22 attention and I look forward to continuing our discussions.

23           <BRANDEN RITCHIE> Thank you, Mr. Barrett. I am going to see if  
24 Mr. Shanmugam is with us today. If not, we can move on to some  
25 additional remarks. Okay, so a lot of great discussion today. We  
26 have some extra time, so I thought that we would give the panelists  
27 a little more time to expand upon their remarks if they would like  
28 to do so.

29           Some questions that arose, some issues that arose during the  
30 discussion, and some of the questions that were in the FRN that we  
31 had might be worth additional comment. Again, comments that are



1 delivered are at the discretion of the panelists, but some of the  
2 issues that we've asked about are - what is the definition of an  
3 NFT? What is included in that container or that bundle? What are  
4 they currently used for? What are the potential future uses and  
5 applications of NFTs?

6 Another question is, how are smart contracts used with respect  
7 to NFTs? We got an interesting discussion about that from Mr. Reed.  
8 How can they be used to protect intellectual property rights? And  
9 then, maybe the concern by some of- what are the risks to IP rights  
10 with the expansion of this?

11 A lot of these topics were raised. Because we have such a  
12 technologist panel on the line, we would be remiss if we didn't  
13 give folks a little extra time to expand upon their remarks on  
14 these and any other issues they would like to address.

15 Perhaps the best way to do this is to--okay, I see that Mr.  
16 Reed has his hand up, and if you would like to turn on your video,  
17 if you have a comment to make. I don't know if it's possible to  
18 allow the gallery settings so that we can see the tech experts  
19 here, so that we can see the folks who raise their hand to be  
20 identified, but let's start with Mr. Reed. Let's say we have about  
21 two minutes for each panelist to give additional thoughts.

22 <MORGAN REED> No problem Brendan, and I was actually signaling  
23 that we should probably just use the hand raised thing as a  
24 function, but I'll go first.

25 For those of you who are looking at the chat or are aware of  
26 it, one of the things we've all danced around and talked about,  
27 Dorothy raised this in her points, Elizabeth in hers and others, is  
28 this whole ownership versus possession question, and it's central  
29 to how do we handle the benefits of NFTs, with its ability to  
30 provide this container for smart contracts, with the risks.

1 I think the other thing that we kind of touched on, and since  
2 this is the trademark session, I think we have to look at the way  
3 that NFTs can both help, but also create some areas where we're  
4 going to have to really think about it in terms of helping to  
5 authenticate physical things.

6 The Gucci purse example, right? So if I have a real Gucci  
7 purse and it has an NFT attached to it, or I attach something with  
8 an NFT to it, the one advantage that it provides is--can somebody  
9 still counterfeit? Sure. Crimers are going to crime.

10 But the question is the value of that counterfeit Gucci purse  
11 is less on a resale market. Many years ago, when I used to live in  
12 Hong Kong, one of the things that would happen is watch  
13 manufacturers would take a Rolex, buy one at full retail, cut it in  
14 half, and then make two Rolexes, half with faked parts, half with  
15 faked parts, and basically double their profit margin.

16 With an NFT and your ability to attach it to a one-way hash  
17 that's a number or encoded on the back of the watch, it's a little  
18 easier in the sense that you can authenticate that. It's a little  
19 hard for somebody to double their value in the way.

20 I don't think that NFTs will eliminate counterfeiting for  
21 Gucci purses. Won't happen, right? There's just too much money for  
22 too little cost. But there are ways for it to reduce what I'd call  
23 the high-end counterfeiting and really the brand dilution that  
24 happens where you have the ability to kind of attach something to  
25 it and provide additional experiences that will be valued by the  
26 person who wants to buy something at a price tag like Gucci.

27 But overall, Branden, to you, I think the right questions were  
28 asked and the panel's really been hitting on this - ownership,  
29 possession, NFTs. Where does it sit? Who's going to provide that  
30 registration or other authority to get us through it? Thanks, and  
31 I'll let my fellow panelists talk.

1 <BRANDEN RITCHIE> Okay. Thank you. Mr. Reed. I noticed it  
2 seemed like Dr. Oberbrunner and Ms. Haraminac and then Mr. Barrett  
3 wanted to be recognized. I'm going to recognize them in that order.  
4 And if there are others, please enable your video and we will have  
5 you speak too. So, Dr. Oberbrunner?

6 <KARY OBERBRUNNER> Yes. I think the beauty of this panel is  
7 the diversity of the industries. I think it's fantastic. We have  
8 academy, we have health, we have all kinds. I like to focus on the  
9 speed. Right now, there's a lot of friction, as I mentioned.  
10 Friction with paperwork, friction with professionals.

11 I'm not a lawyer, however, to take something and mint it to  
12 the blockchain literally could take seconds, if not minutes, or  
13 vice versa, depending on your technology capabilities. So we have  
14 the ability to timestamp something.

15 In my studies, all intellectual property is based on first to  
16 use, and now with a new ruling, first to file. You have the ability  
17 of first to file, first to use, that gives you the rights. Now you  
18 have a technology that eradicates all the friction of the time and  
19 money.

20 I truly believe that it's like Tom mentioned, it's the Wild  
21 Wild West, where governance needs to happen and needs to happen  
22 quickly. Otherwise, we're essentially becoming a decentralized Wild  
23 Wild West where anyone who just rushes to file first could  
24 essentially circumvent the processes in place.

25 So that's what I focus on. As a book publisher, we're putting  
26 out IP daily, and my authors have paradigms and business models  
27 within their books, some of which need to be trademarked. And we  
28 really need to solve that time sensitive issue in this  
29 conversation.

30 <DORTHY HARAMINAC> There's so much here. The first to file  
31 idea has been the way to do it since, what, the 20s or so? First to

1 file means you win. As far as patents and trademarks and that kind  
2 of thing go. If we want to try to change that, that's a much bigger  
3 conversation.

4 On ownership versus possession, the question I asked in the  
5 chat was, how do you protect against the theft or loss of an NFT  
6 that represents ownership? Let's say we move into the system where  
7 you're presuming that everybody's got the capability to maintain  
8 the security of that asset, and they don't.

9 I see that every day in lots of different cases - people who,  
10 to kind of touch on what Ms. Gabrowski said, there are people that  
11 come to me who have lost their life savings because they've fallen  
12 for a scam, a scam smart contract that masquerades as the real  
13 thing. They send all of their money to that thing, thinking it's  
14 the thing they've heard about in the news, because there's not any  
15 protection for that, and they have no understanding for how to  
16 verify that protection either. So some kind of guidance for the end  
17 user there would be really useful.

18 The other question is, how do you then protect against the  
19 false claim of theft for a legitimate transfer? That's a bit  
20 different, but it's also a really hard problem to solve. You've got  
21 mechanisms in place that do that. But it's something like the fine  
22 arts experts industry. They maintain that 50% of all art is a  
23 forgery. So what happens if I take that fabricated provenance and  
24 put it on the blockchain? What happens then? How do I remove it?  
25 How do I change something that was made in error? Those are the  
26 real loopholes that you've got to solve before you can move into  
27 that system. I think that's everything.

28 <BRANDEN RITCHIE> Thank you. Mr. Barrett?

29 <THOMAS BARRETT> Thanks, Brendan. Thanks for the opportunity  
30 to say a few more comments. I'd like to focus on trademark abuse.  
31 On NFTs, the Metaverse, there are new applications for virtual

1 goods and services that have still yet to emerge. It's pretty  
2 difficult to put a boundary on this. I do think that the industry  
3 will have to agree on a uniform trademark dispute process similar  
4 to the ICANN URS.

5       Because the blockchain is immutable you can't force ownership,  
6 transfer the ownership. Certainly you can do a rapid takedown on a  
7 marketplace, a Web3 domain name provider, but most importantly,  
8 once you have that takedown by a trademark panel, the ecosystem  
9 needs to agree to blacklist the use of that abuse so that it  
10 doesn't spread to other metaverses or other Web3 domain name  
11 platforms.

12       So again, if you're a member of the blockchain industry out  
13 there, you need to step up. It needs to be a community-driven  
14 initiative, as I say here, in my role of the Blockchain  
15 Subcommittee at INTA. We can certainly claim some resources to help  
16 develop this trademark dispute process. And I believe other  
17 organizations like WIPO would be interested as well. But we need  
18 the associations and the industry to step up and agree to work with  
19 us.

20       <BRANDEN RITCHIE> Thank you. Are there any other panelists  
21 that would like to provide additional remarks? Making sure the  
22 invitation is open to all. While we see, one of the questions in  
23 the FRN, and we have quite an expert panel here, but not everybody  
24 is an expert. One of the things that we wanted to explore as well  
25 was some practical examples of what are the current applications of  
26 NFTs, and what are seen as the future or prospective applications?

27       You hear a lot of talk, you see a lot of articles about the  
28 different applications of NFTs. Some are speculative, and that's  
29 okay. But we were wondering if anyone would like to speak on some  
30 of those types of topics, maybe at the basic level, but invite your  
31 expertise on all of them, of course, to expand.

1           So, again, anyone who would like to speak further, please  
2 enable your video so that we can see it. Looks like Mr. Reed has  
3 some thoughts. And also Ms. Haraminac.

4           <MORGAN REED> I know that she'll have some good comments to  
5 follow, but Branden, earlier for the audience, that's why I was  
6 trying to use the example of a Taco Bell franchisee, the ultimate  
7 in the bricks and mortar part of our life. And if you need that  
8 morning gordita, it's a great place to go. You hate it midday, but  
9 way to go. But a Taco Bell franchisee is a small business, right?  
10 And back to Kary's point about friction. Small businesses want  
11 reduced friction.

12           So NFTs, if we have a mechanism to prevent the fraud that  
13 we're all discussing, are a way for that container to properly dole  
14 out or make certain rights accessible, and they can be cascading. A  
15 store that has 20 outlets has a different rights profile in that  
16 NFT than a brand new franchisee who's in his first year and the  
17 franchisor wants to restrict or have it limited, they can charge  
18 for it. They can have all of that in that container. That's an  
19 obvious one. Something that small businesses can put their fingers  
20 on.

21           Music is the other. If you've ever heard Britney Spears' song  
22 Toxic, there's a chunk of that song that's actually borrowed from  
23 an Indian Bollywood song that's at the core of that song. But  
24 tracing down the right holder for that beat or that underlying  
25 underpinning set of notes is hard to do.

26           With NFTs, if I have a smart contract that has that kind of  
27 granular who did what in the song, then it's a lot easier if  
28 somebody down the road wants to utilize another piece, add it to  
29 their song, make new music, and make sure that on the copyright  
30 side - I know that's later in the month - all of the correct  
31 artists and the correct rights holders can get paid.

1           But we still have to solve the problem Dorothy has brought up,  
2 which is ownership and possession. If it's done right, if we have  
3 those solutions Branden, those are some of the functionalities,  
4 lowering friction empowering small business, making sure that the  
5 right parts of an ecosystem get paid when they should get paid. It  
6 can all be done with less friction, less fax machines, and fewer  
7 lawyers. I mean, God bless them, but it will mean that.

8           And now over to Dorothy to tell us how, if we don't fix the  
9 fraud problem, it'll be terrible.

10          <DOROTHY HARAMINAC> That's not quite what I was going to say,  
11 but it's really close, for sure, right? Of course you can do that.  
12 You can have where all of the raw components of a song are stored  
13 on the blockchain, and everybody gets their fair share of a piece.

14          That's very difficult to do. But it also doesn't solve the  
15 loophole of the right-click save problem. I can just copy that and  
16 then now my creation, now I'm the original creator. So how do you  
17 prove that? You could use some encryption algorithms to prove that  
18 this really is the same, but then being the same doesn't mean that  
19 the two original creators weren't actually original creators. So  
20 you run into a whole lot of, I think maybe a whole lot more issues  
21 doing something like that too fast.

22          There's another example where how we're using an NFT. It's a  
23 nonfungible token, but it's also not something we're planning to  
24 sell or transfer at all. The fact that I mentioned the startup that  
25 I have, what we're doing is we're we've applied for a patent for  
26 the process of how we get to issuing an NFT.

27          The NFT itself is something that gets issued and it represents  
28 all of the data that we've gathered. That is the proof of the  
29 thing, all the provenance of something in this one NFT. It serves  
30 as a public checking mechanism that the data we've gathered hasn't  
31 been altered. Nobody's gone in and backdated anything. That's

1 another use case of that. You could do like a glorified database  
2 where you just make that public and have it timestamped and then  
3 anybody could see changes made. But the NFT space and the  
4 blockchain space offer a way to do that for much lower resource  
5 usage. I know I put those words together and probably people don't  
6 believe me, but it does.

7         There's a lot of things that an NFT can solve. What it is is  
8 just code. That's all it is. And it's just software that does what  
9 you tell it to do. Maybe it creates something that displays as an  
10 image, maybe it puts parts of things together to make a new thing.  
11 But it's just software code. We have mechanisms for protecting that  
12 kind of thing. I don't think we need anything new, I'll reiterate  
13 that. But it's also code if it's stored on a public blockchain that  
14 is public. So now I've eliminated my claim that it's some kind of  
15 trade secret. I've eliminated a reasonable royalty claim and all of  
16 that kind of stuff.

17         Now you've got to get into something more complicated. And I'm  
18 sorry, I'm going to use these words in a simple explanation, but  
19 you've got to look at stuff like homographic encryption. Can I  
20 store something there and use it and manipulate it without actually  
21 exposing what it is?

22         And I think that's a way to get there, that's going to use a  
23 lot more resources also. There's a lot of balances there. How much  
24 fraud, waste, and abuse are you willing to accept to foster  
25 innovation? And just in the same way that security and convenience  
26 are tradeoffs, those things are tradeoffs. And you've got to figure  
27 out a way to both incentivize innovation and not stifle the rights  
28 that people already have. That's it. That's all I got.

29         <BRANDEN RITCHIE> Thank you. I've posed a few questions, but I  
30 want to make sure that if there's anything on the panelists' minds  
31 that they had to abbreviate because of the time with the remarks,



1 that they have an opportunity. As you think about that, we can take  
2 a minute. I appreciate the expanding on the remarks that was done  
3 by the panelists, and we definitely take advantage of your  
4 expertise on these.

5 We also want to encourage everyone to file written comments if  
6 they'd like to, through the FRN process. The deadline for that,  
7 again, is February 3, 2023, and we will take that information and  
8 the expertise that we collect through this roundtable discussion  
9 and the written comments, and that will inform our product as a  
10 result of our study with the Copyright Office.

11 So any other panelists that had additional thoughts that they  
12 would like to share? Give it a minute here..Okay, so we had a couple  
13 of panelists that didn't make it or that had to be rescheduled to a  
14 different time today. So we are going to end this panel a little  
15 early today. We would encourage you to take advantage of this time.

16 We'll reconvene for the next panel. The panelists themselves  
17 are asked to log on approximately 20 to 30 minutes before, but the  
18 next time for the next panel will be 12:15. If everyone wants to  
19 take a break, get a coffee, maybe get an early lunch, and then we  
20 will reconvene the panel at 12:15. That will be our panel of  
21 academic and association panelists. So with that and hearing no  
22 others speakers wanting to provide additional comments, we will  
23 temporarily adjourn until 12:15. Thank you very much to all of the  
24 panelists and the audience, and we'll see you shortly.

25

26

< END OF SESSION 1 >

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1                   SESSION 2: ACADEMIC AND ASSOCIATIONS PANEL

2  
3           <HOLLY LANCE> Welcome panelists and audience members. My name  
4 is Holly Lance and I'm an attorney advisor on the Enforcement team  
5 in the U.S. Patent and Trademark Office's Office of Policy and  
6 International Affairs.

7           I am so pleased to be here with you today to moderate our next  
8 panel, which is focused on academics and associations. During this  
9 panel, we will hear from professors working on cutting-edge  
10 research in the intersection of blockchain technology, specifically  
11 nonfungible tokens, and IP law, as well as representatives from the  
12 nation's leading associations, who will be representing - who are  
13 representing - an array of stakeholders with interests in NFT-  
14 related issues.

15           We look forward to the diversity of perspectives. I want to  
16 thank you all in advance for your valuable input, which will help  
17 to inform our upcoming joint report with the U.S. Copyright Office.  
18 During your remarks, you may address any issues you believe are  
19 relevant to our joint study. This can include the questions posed  
20 in the USPTO's and the US. Copyright Office's joint Federal  
21 Register Notice published on November 23, 2022, or you may raise  
22 additional issues that you believe are important for the Offices to  
23 consider as we conduct this study.

24           Before we begin, I would like to remind everyone of an  
25 important ground rule for today's panel. To ensure that all  
26 panelists have a sufficient opportunity to provide their  
27 perspectives, we have asked that the speakers limit their remarks  
28 to five minutes each and to prioritize the issues that you believe  
29 should be raised. We will strictly enforce this time limit  
30 throughout today's panel, so I apologize in advance for  
31 interrupting you.

1           Of course, we welcome panelists and our viewers listening in  
2 to submit written comments to expand upon or to respond to what  
3 you've heard. As a reminder, this deadline for written comments is  
4 February 3, 2023.

5           Finally, please do keep your cameras off if you're not  
6 speaking. Okay with that, we're just going to be sort of going  
7 through, down the line, so let's begin.

8           Our first panelist today is Professor Brian Frye. So,  
9 Professor Frye, the floor is yours. Thank you.

10          <BRIAN FRYE> Great, thanks Holly. I'm glad to be here and  
11 especially glad to be speaking on this panel in relation to NFTs  
12 and trademarks, because that really is the way I want to structure  
13 the remarks that I make today.

14          As I see at the NFT market, in its current incarnation, like  
15 the art market, depends primarily on trademarks rather than  
16 copyrights. It's fundamentally a market in brands. What artists are  
17 selling, both in the conventional art market and in the NFT market,  
18 is their brand, or rather, an investment in their brand. And that's  
19 always been true of the art market. But for various historic  
20 reasons, it was harder to see in the art market, and the NFT market  
21 made it a lot clearer. And I think that that's a really helpful way  
22 of kind of framing what's taking place in the NFT market, has  
23 helped kind of, I think, start to open our eyes to the fundamental  
24 structure of the market itself.

25          Let me briefly explain. I think a lot of people assume that  
26 when you buy a work of art, in the conventional art market, what  
27 you're buying is an object. And that's really not true. What you're  
28 really buying is an entry on an artist's catalog resumé. You're  
29 buying a ledger entry. You're buying a recognition that you are a  
30 legitimate owner of an investment in that artist's career. That  
31 ledger entry, that entry in the catalog resumé comes along with a

1 physical token, usually in the form of a dirty canvas or a lumpy  
2 rock.

3         That ownership of the physical token signifies ownership of  
4 the ledger entry. But it's a ledger entry that really matters. And  
5 without the connection between the two, the physical token is  
6 worthless, right? Unless you can establish a connection between  
7 that object and the artist's catalog resumé, the artist's ledger of  
8 legitimate works, the object you own isn't worth anything at all.  
9 The object is just a way of redeeming that ledger entry, as it  
10 were.

11         The NFT market works in exactly the same way. It just gets rid  
12 of the physical token, right? You can transact in the ledger entry  
13 directly. You no longer need to own an object in order to signify  
14 ownership of the entry on the catalog resumé, or in order to  
15 signify the investment in an artist's brand.

16         All you have to own is the NFT, which is in effect, the ledger  
17 entry itself. Eliminating that physical token, I think, helps us  
18 see what's really taking place. So, as I wrote recently in an  
19 article for CoinDesk, the NFT market and the art market are both  
20 effectively securities markets and have always been securities  
21 markets, at least in the kind of abstract sense.

22         What you're really doing when you invest in either market is  
23 you're buying a fractional interest in the brand that a particular  
24 artist is selling [unintelligible]. In effect, investing in their  
25 future commercial goodwill, if we want to put it in more  
26 conventional trademark terms.

27         And that ability to speculate in the commercial goodwill  
28 associated with a particular producer of content is, I think,  
29 really important because it opens up new potential ways of funding  
30 creative economies, right?

1           We developed copyright in order to solve the problem of  
2 scarcity. We live in a world of abundance now, right? The internet,  
3 the digital world, the Web3 world - these are worlds of abundance  
4 where we don't have the scarcity that copyright was designed to  
5 address and to hopefully at least partially solve.

6           I think what we're seeing with the NFT market is the  
7 transition to a new mode or new modality of doing innovation or  
8 creativity policy. And I think the Trademark Office would do well  
9 to think about how trademark law can adapt, can and should adapt  
10 itself, to better manage that market and better address the needs  
11 of the participants in that new market. Thanks.

12           <HOLLY LANCE> Thank you so much, Professor Frye. Appreciate  
13 your comments. We'll go ahead and move on to our next panelist. Mr.  
14 Thad Chaloeontiarana. Thad, the floor is yours. Thank you.

15           <THAD CHALOEMTIARANA> Thank you so much, Holly. Good afternoon. I'm  
16 Thad Chaloeontiarana, and I'm a partner at Pattishall McAuliffe in  
17 Chicago, and I also serve as chair of the American Bar Association  
18 section of Intellectual Property Law. As you may know, the ABA is  
19 comprised of a number of sections, divisions, and forums, and the  
20 views that I'm expressing today are on behalf of the Section of  
21 Intellectual Property Law, which is the oldest section within the  
22 ABA. My comments I should preface have not been reviewed by the  
23 House of Delegates or Board of Governors of the ABA and shouldn't  
24 be construed as representing the policy of the ABA.

25           First, I'd like to express our appreciation for the ongoing  
26 efforts of the USPTO to educate and engage our stakeholders in this  
27 emerging technology. We commend in particular the commitment of the  
28 USPTO and the Copyright Office to staying at the forefront of  
29 developments in this field and to providing the necessary resources  
30 forces to ensure that stakeholders are informed and are able to  
31 participate in the shaping of future IP law.

1 By way of background, our section convened an  
2 interdisciplinary Task Force to study these issues, and we're  
3 pleased that we had a really enormous interest in the topic and a  
4 number of subject matter experts among our ranks. At this time, I'd  
5 like to recognize the contributions, in particular of Matthew  
6 Asbell, the Task Force Chair, as well as Brian King and Eliana  
7 Torres, our Vice Chairs, along with all the other members of the  
8 Task Force who worked to develop these comments.

9 On January 20, this last Friday, the Section submitted a  
10 letter to the USPTO and U.S. Copyright Office in response to its  
11 request for public comments in November regarding IP and NFT-  
12 related issues. I'm highlighting today only a few of our Section's  
13 comments. I do encourage you to read our letter, which has a number  
14 of other responses to several of the questions that were raised.

15 The first point I'd like to mention is that the Section would  
16 like to suggest that the USPTO study and consider offering  
17 registrants the option to have the office mint a nonfungible token  
18 upon the issuance of a certificate of registration. The use of NFTs  
19 in this context could alleviate some of the concerns about  
20 provenance and fraud, and also could provide several benefits that  
21 would enhance the services of the USPTO and facilitate the use of  
22 smart contracts by stakeholders.

23 First, NFTs could allow the Office to provide applicants with  
24 greater transparency and provenance of their trademark  
25 registrations. The use of NFTs could enable the Office to create a  
26 tamper-proof and immutable record of the registration and make it  
27 difficult for anyone to falsify certificates or to claim ownership  
28 of trademarks that aren't theirs.

29 In addition, NFTs could make it easier to perform due  
30 diligence by automating the tracing of the original owner and chain  
31 of title of a trademark, as the ownership information would be

1 recorded, not only on the USPTO's registration and assignment  
2 records, but also on the blockchain, which would make it much more  
3 easily accessible.

4 Similarly, NFTs associated with registrations and timely  
5 updates to the blockchain by the USPTO could facilitate real-time  
6 confirmation of the status of the registration as active, which  
7 would make it easier for trademark information to be used in smart  
8 contracts.

9 Moreover, the implementation of NFTs associated with  
10 certificates of registration could increase security and efficiency  
11 by eliminating, or at least reducing first, the need for physical  
12 certificates to be sent by mail. Secondly, it could help reduce any  
13 doubt about the authenticity of electronic certificates or the  
14 proper maintenance and renewal deadlines, and certainly  
15 solicitations that are related to them, which could reduce the risk  
16 of fraud and lost certificates.

17 In the future, if and when trademark offices in other  
18 countries adopt NFT technologies, the USPTO's use of NFTs in  
19 connection with registration certificates could facilitate the  
20 secure exchange of information between offices and enable users to  
21 present to foreign trademark offices, a link to their NFT in place  
22 of a certified copy of the registration.

23 Having information accessible through open APIs and an  
24 accessible blockchain on which the actual certificate of  
25 registration is available on chain would be a significant step  
26 forward for the Trademark Office. It could provide greater  
27 transparency and security for the trademark registration and would  
28 increase efficiency.

29 Given as well the difficulties in enforcing trademark rights,  
30 the use of NFTs and open APIs by the USPTO, as we explained further  
31 in our letter, also could help in the protection and enforcement of

1 trademark rights, especially in the context of blockchain domains  
2 that currently don't have any centralized authority for  
3 enforcement.

4 So with that, I just like again to take the opportunity to  
5 express our gratitude to the USPTO's efforts to engage stakeholders  
6 in discussions about NFTs and emerging technologies as it relates  
7 to trademarks, in particular. The ability of stakeholders to  
8 provide feedback and to participate in shaping the future of  
9 trademark law and practice is essential to ensuring fairness,  
10 efficiency, responsiveness to the needs of all parties. And we  
11 encourage the joint Offices to continue educating the public about  
12 NFTs and other emerging technologies and to continue providing  
13 opportunities for stakeholders to provide feedback.

14 As this technology continues to evolve, it's important for the  
15 USPTO to remain at the forefront of these developments in order to  
16 ensure that trademarks are protected in the digital age. And we  
17 hope that the ABA in particular, can continue to be a resource for  
18 the joint Offices and to Congress as they work on these issues in  
19 the New Year.

20 We do encourage, finally, everyone, to read the entirety of  
21 our comment letter, which is fairly extensive, and those  
22 recommendations are currently posted online. Thanks again for your  
23 commitment to providing a transparent and inclusive process to the  
24 stakeholders.

25 <HOLLY LANCE> Thank you, Mr. Chaloehtiarana. And with that, we  
26 are going to turn to our next panelist. It's Professor Rebecca  
27 Tushnet. The floor is yours. Thank you.

28 <REBECCA TUSHNET> Great. Thank you so much. I teach copyright,  
29 trademark, and advertising law at Harvard, and I apologize, it's  
30 relevant because I have to leave the panel early to teach. I also  
31 help represent Mason Rothschild with his NFT art project



1 MetaBirkins, and this has confirmed for me some basic caution,  
2 which is historically, courts and regulators have been slow to  
3 recognize new art forms.

4 They've denied free speech protection when they thought the  
5 new medium was too different from what they knew, and too powerful.  
6 It happened initially with print, then with radio and movies, then  
7 with video games. Ultimately, courts realized that the message is  
8 more important than the medium, but it would be good to speed up  
9 that realization.

10 But more generally, there is nothing new under the sun. I'm  
11 old enough to remember the claims - similar, if not identical to  
12 the ones that we're hearing today - being made for Second Life.  
13 There were entire conferences, there were entire INTA panels on  
14 Second Life. I've seen courts not understand the internet in a  
15 variety of exciting ways. I've seen consumer expectations change as  
16 the new technology becomes integrated into life. I've worked on the  
17 ICANN's review of rights protection measures for TLDs.

18 Despite serious policy differences, I'm in general agreement  
19 with Tom Barrett on the top line, which is, these are challenges  
20 we've seen before and relatedly, I really want to endorse Dorothy  
21 Haraminac's caution. A lot of these uses have problems that exist  
22 off the blockchain, and it is often not obvious how the blockchain  
23 can address them.

24 Freeze cannot be encoded on the blockchain. Your Gucci bag NFT  
25 proof of ownership will not save the associated bag from being  
26 damaged in a flood, stolen, or replaced with a counterfeit. As tech  
27 support sometimes says, "the problem exists between chair and  
28 keyboard." That is, it's people.

29 This leads me to have some cautions about some of the  
30 proposals. For example, if you mint an NFT and you also issue a  
31 registration that exists in the non-NFT legal system, inherently

1 you create the potential for a gap opening up between the NFT and  
2 the non-NFT system, and you need a priority rule.

3 So what do you do with good-faith purchasers without notice or  
4 bankruptcy or inheritance or really any regime that operates by  
5 operation of law? Some questions that I would want to talk about  
6 is, what is the problem we're really trying to solve?

7 Are there serious problems with fake certificates of  
8 registration, or is it more that international systems haven't yet  
9 been standardized in a way that would benefit from standardization,  
10 but doesn't necessarily need a regime that is partially privatized?

11 Because the appeal of the NFT is that there's a public  
12 blockchain, but of course we have public records that can take care  
13 of that. Why isn't checking public records sufficient to deal with  
14 existing problems? Can you make systems interoperate in a way  
15 that's a little easier than building a whole new system of  
16 registration? Are the people who have problems with proving  
17 registration or with fake certificates of registration likely to  
18 know about or be able to take advantage of NFTs as authenticators?

19 Before we have answers to those questions, I think we should  
20 not rush forward to say that NFTs are going to solve that problem.  
21 The experience of the past 20 or so years cautioned some regulatory  
22 care in finding the right analogies and then seeing if there is a  
23 need for change.

24 When you act fast and create a new rights regime, you're  
25 likely to freeze technology in ways that quickly become obsolete.  
26 In copyright, sui generis vessel hull protection, circuit design,  
27 mask work protection, 1201 and its many hassles, including the need  
28 for a right to repair and response. In trademark, we had some  
29 initial conceptions about how metatags were used, leading to  
30 precedent that leads to essentially automatic liability for someone  
31 who has a metatag that's identical to a trademark, even though we

1 know that's not how consumers or search engines have worked for 20  
2 years.

3 Even ACPA has its age, given that it turns out second level  
4 domain names might not be where most of the action is. Mostly I  
5 just want to say maybe slow down, right? We've already heard a  
6 bunch of different possibilities for the uses that deserve  
7 different regulatory regimes.

8 Tickets are different from certificates of authenticity, are  
9 different from historical records, are different from droit de  
10 suite for resales, are different from advertising. We might not  
11 want to follow the path of the law of the horse in developing the  
12 law of the NFT. Thank you.

13 <HOLLY LANCE> Thank you so much, Professor Tushnet. Appreciate  
14 your enthusiasm as well on these issues. Okay, we're going to be  
15 moving on. Our next panelist is Professor Joshua Fairfield.  
16 Professor Fairfield, the floor is yours. Thank you.

17 <JOSHUA FAIRFIELD> All right, well, thank you so much to the  
18 USPTO and to everyone here for addressing these incredibly  
19 important questions. I'm going to situate what I'm going to say  
20 among some of the prior comments.

21 I have studied virtual property and intangible property at  
22 Washington and Lee and other places for 20 years, since the days of  
23 those Second Life conferences and more. I have written several  
24 books on the topic, including Cambridge University Press' "Owned:  
25 Property, Privacy, and the New Digital Serfdom," which addresses  
26 how it is that we've come to the present state of affairs where  
27 people do not own the movies, books, and music that they have fully  
28 bought and paid for online.

29 It's that conundrum that I'm going to bring to NFTs about  
30 which I've published repeatedly and which I want to address a set  
31 of legal issues that stand in quiet abeyance, that are often

1 encroached upon by the intellectual property interests that we're  
2 discussing today.

3         This pertains to trademark in particular for this panel, but  
4 also pertains to others as well. With respect to these then, what  
5 I'm talking about is personal property interests. Personal property  
6 interests in general are those that permit someone to buy an asset  
7 - an NFT - and invest in it. Now, I understand that not all NFTs  
8 are, for example, the prior speaker who mentioned NFTs as record of  
9 provenance - that's a method of keeping things identified on the  
10 record - that's quite different from a digital object itself, a  
11 digital piece of art itself.

12         The objectness of these assets is invaluable. My work over 20  
13 years has demonstrated an ongoing demand, for people, for investors  
14 who wish to buy and sell digital objects from assets in video  
15 games, on, through crypto tokens, and NFTs. And in each place, the  
16 objectness is the point. The point is that these things are  
17 packaged and sold to consumers and to investors as if they were  
18 personal property.

19         Personal property requires a set of basic intuitions. Property  
20 is an intuition that I may use something in a set of ways, that I  
21 may sell it to someone else and capture the value of my investment  
22 as the rise of the market follows and so on, that I may - in the  
23 traditional Hohfeldian property framework - destroy, may exclude  
24 others from using, so on and so forth, the object.

25         There has always been an uneasy relationship between the  
26 objectness of virtual property and, of course, intellectual  
27 property. We're online. The tangibility of a physical object is not  
28 there to make it clear to courts that what is happening is that  
29 there is a personal property interest that the owner of the copy  
30 has, as opposed to the copyright holder or the trademark holder or  
31 the patent holder.

1           And yet we've traditionally had doctrines like exhaustion that  
2 have acted to limit the intellectual property holder's interest for  
3 purposes of protecting the investment of the end user. To be clear,  
4 that is what has driven all of the interest here.

5           All of the interest in NFTs has been around owning, has been  
6 around investing in, and growing. There is no excitement about  
7 following the licensing regime that governs our Kindle ebooks for  
8 example, or our Google movies.

9           None of those are truly owned. People do not invest in them  
10 and none of the excitement around investment or ownership will  
11 obtain, not from the games that are now saying "play to earn," or  
12 the art markets that are saying, "Buy this. We have generated  
13 something that you can invest in."

14           I must say that I disagree with - very respectfully - prior  
15 comments that all one is investing in is an entry in a ledger, that  
16 in fact these objects themselves are collected regardless of their  
17 provenance. Often they have their own value, whether they're kept  
18 artificially rare in the case of things like digital baseball  
19 cards, or whether they're naturally rare in the case of very rare  
20 mathematical combinations for cryptotokens themselves and so on and  
21 so forth.

22           There are a range of reasons why humans value these assets,  
23 but the fact that they do and the fact that they want to have  
24 personal property interests in them has governed the entire  
25 construction of the NFT market from start to finish. We buy them,  
26 we sell them, we invest in them, we do not license them.

27           Now, this is going to come into conflict with the system, the  
28 20-year system of intellectual property licensing that has largely  
29 denuded American consumers of their ownership rights in digital  
30 property. We do not own our Kindle movies, we do not own our Kindle  
31 ebooks, and so on and so forth.

1           Should that become the governing regime where trailing  
2 intellectual property interests overshadow personal property  
3 interests in NFTs, then we will not have a successful market in  
4 NFTs. We will have successfully killed the goose that laid the  
5 golden egg.

6           I'll give you a very brief example and then close my remarks.  
7 For example, there is presently almost no state in the union that  
8 recognizes a right of replevin in digital assets. That's right.  
9 It's free and clear to steal multimillion dollar digital artworks.  
10 Why? Because presently we are developing the common law right to  
11 make people give it back. Digital rights of conversion, however,  
12 have preceded that and have been growing quickly. There are a  
13 number of cases now that recognize digital property rights in  
14 things - everything from domain names, NFTs - they do pass to the  
15 decedent's estate after death and so on and so forth. They're  
16 treated as basic property rights.

17           Those cases extend to conversion. Steal my valuable NFT and I  
18 have to pay the price. The question is whether or not we will avoid  
19 or ignore the treatment of NFTs as personal property to the  
20 detriment of the demand that has, for now, well over a quarter  
21 century typified and driven the market for intangible digital  
22 assets.

23           With that, I'll close my remarks. Thank you so much to the  
24 USPTO for inviting me and the rest of these speakers, and I hope  
25 that you have a very successful study on the rest of this. Thank  
26 you so much.

27           <HOLLY LANCE> Thank you so much, Professor Fairfield.  
28 Appreciate your remarks. We'll be turning now to our next panelist,  
29 and this is going to be Ms. Maria Scungio. You now have the floor.  
30 Thank you.

1 <MARIA SCUNGIO> Thank you very much and our thanks on behalf  
2 of AIPPI to the USPTO and the Copyright Office for engaging in this  
3 study and dialogue. We appreciate the opportunity for  
4 collaboration.

5 A quick note about AIPPI. It is an 8,000 member international  
6 organization with IP attorneys, in house and in private practice  
7 and in government service, in more than 131 countries. The mission  
8 of our organization for 125 years has been to focus on the  
9 development and improvement of IP laws and to engage in a pretty  
10 rigorous process and study of legal questions focused on aspects of  
11 IP laws. That process includes study questions. Each year there are  
12 four.

13 This year, we're actually working on the question of proving  
14 trademark use and Web3 in the metaverse, and trademark use is part  
15 of that study. We're in the process now of surveying, through our  
16 national groups, responses to detailed questions. And so this part  
17 of my presentation is really an answer to question two in the  
18 survey.

19 The process includes national groups providing reports. Those  
20 reports become available to the public in July and August of 2023.  
21 We also have a summary report which gives the helicopter view, and  
22 we're happy to share that work product with the USPTO and the  
23 Copyright Office as it comes available.

24 At the end of that process, we have an open debate with - much  
25 like a Model UN proceeding - a Congress that will occur in  
26 Istanbul, Turkey. That Congress invites participants with voting  
27 rights to have open dialogue about proposed resolutions for setting  
28 frameworks where areas of the law need that kind of support.

29 The proving trademark use issue is going to be a very  
30 interesting and evolving dialogue. As far as the specific questions  
31 that AIPPI is focused on and which we think are germane to this

1 roundtable study - one of the questions very practical, the  
2 consistency and trademark classification. As many members on this  
3 call likely know, the EUIPO has convened a separate dialogue and  
4 taken a provisional position on class 9 as being sort of the home  
5 room for classifying protection from a trademark perspective on  
6 NFTs.

7 But as we have seen in the U.S. practice market, there are  
8 other opportunities in the service classes - class 35, 36, 41, and  
9 43 - to seek protection for such activities as virtual fashion  
10 shows, virtual hotels and restaurants, financial exchanges, and  
11 marketplaces for digital goods.

12 As a part of our study of the proving trademark use issue,  
13 there will be dialogue on that point, but we expect that point to  
14 extend and encourage more discussion. Another characteristic  
15 question is whether the use of trademarks in the Web3 metaverse for  
16 virtual goods constitutes trademark use in the real world for  
17 actual goods. That is definitely going to generate a lot of  
18 discussion. And also, is it possible that a single use of a  
19 trademark in the Web3 metaverse for virtual goods, is it capable of  
20 attribution to only a single class, or may there be coverage in  
21 multiple classes?

22 Turning attention to question six in the roundtable study,  
23 which invites a note about to what extent NFTs are used to obtain  
24 IP rights, AIPPI members have seen a very broad range of  
25 activities, including in the beauty and skincare and fragrance  
26 industry where virtual worlds are established in order for brand-  
27 loyal consumers to try on cosmetics virtually. There are music and  
28 sporting events - Coachella, Formula One, NASCAR, Draft Kings.  
29 There are food and beverage activities, restaurants and cafés.  
30 Retailers - the Macy's Parade last year had an NFT event for their  
31 floats. In the spring, there was a Metaverse Fashion Week supported



1 by Decentraland, which created boutique or zone areas for designers  
2 and artists in Tokyo, in greater Asia, NFTs linked to actual luxury  
3 products, Web3-first brands. So the robust activity continues and  
4 invites us and pushes us to be quite thoughtful about the analyses  
5 for appropriate trademark protection.

6 The last point, and I'll finish. Just monitoring what's going  
7 on in the rest of the world with NFTs and foreign jurisdictions.  
8 AIPPI has been following the Juventus case out of Rome, Italy. That  
9 decision issued in July 2022 concerning a tech startup's online  
10 soccer manager game with soccer stars and 60 NFT player cards that  
11 depicted former and current players.

12 The court held that digital content and the digital  
13 certificate, separately, were instances of trademark infringement  
14 and misappropriation. And AIPPI continues to follow the Bored Ape  
15 decision that issued in December 2022 in the U.S., as well as the  
16 pending cases for the Hermes v. Rothschild and Nike v. StockX  
17 cases. Thank you for the opportunity to speak. These views are on  
18 behalf of the international association.

19 <HOLLY LANCE> Thank you so much, Ms. Scungio. Next, we will be  
20 hearing from Ms. Victoria Sheckler. The floor is yours.

21 <VICTORIA SHECKLER> The RIAA is the trade association that  
22 supports and promotes the creative and commercial vitality of the  
23 music labels in the United States. The music industry invests in,  
24 uses, and drives emerging technologies, such as NFT-enabled  
25 projects, that help fans discover, experience, and engage with  
26 music and the artists behind the music.

27 As you've heard, NFTs present new opportunities that can  
28 benefit everyone in the music ecosystem, including songwriters,  
29 recording artists, musical publishers, record labels, and music  
30 fans.

1           They provide new revenue streams for creators, they provide  
2 fan-driven digital collectibles, fan loyalty experiences and a  
3 variety of other things. They can be used in the music space to  
4 authenticate and provide some rights or licenses to images, audio  
5 files, audiovisual files, and virtual and visual experience.

6           Some specific examples include access to virtual fan  
7 communities, access to physical fan communities, access to virtual  
8 worlds, to live events, whether online or physical live events, and  
9 other fan experiences.

10          It includes digital collectibles, such as artist trading  
11 cards, virtual vinyl, and artist-branded digital of wearables that  
12 can be used in various metaverse experiences. It can include  
13 participation in an artist's streaming royalties. It can include  
14 some rights for decision making in virtual labels. Sometimes it  
15 even includes a transfer of copyright ownership.

16          Ultimately, band demand and band preferences will drive the  
17 adoption of these type of NFTs and any new types of NFTs in the  
18 music space. Notwithstanding these benefits, just like with other  
19 emerging technologies, NFTs pose IP challenges, just as Dorothy was  
20 telling us earlier.

21          These challenges, in our view, fall into three broad  
22 categories. First is education. NFT sellers and marketplaces must  
23 ensure that they and their buyers have adequate information about  
24 the scope of IP rights that are being conveyed with an NFT that's  
25 associated with an underlying digital asset, and what rights are  
26 reserved. As we've heard, some people assume that when they  
27 purchase the NFT, they are purchasing all the rights underlying the  
28 digital object that associated with that NFT. May or may not be  
29 true. We need to make sure that the buyer knows what they're  
30 getting and what's being reserved.

1           Second has to do with rights acquisition. In the music space,  
2 there are separate rights for the sound recording, for the musical  
3 composition, for the artwork, as well as rights in trademarks or  
4 rights of publicity associated with the artist or band with that  
5 particular song. Someone that wants to engage in an NFT that uses  
6 any of these assets has to think about all of those and what rights  
7 they need in order to offer the NFT that they're offering.

8           Of course, we also have an enforcement challenges. As I'm sure  
9 you're aware, there are several unauthorized NFTs out there that  
10 infringe on intellectual property rights, including copyrights,  
11 trademarks, and names and likenesses of our members, their  
12 recording artists, or their music.

13           We've seen infringement of album cover art, of band logos, of  
14 artist names, for example. These challenges also arise from the  
15 decentralized and multi-jurisdictional nature of NFT ecosystems and  
16 the frequent separation of the actual NFT token and wherever the  
17 underlying digital option may be located, as well as challenges  
18 with identifying the true seller of the NFT. There are also  
19 inadequate tools right now to identify and notice infringements to  
20 NFT platforms at scale. We only know one NFT platform right now  
21 that's in the music space that is using proactive content  
22 recognition tools to try to deter infringing music NFTs on their  
23 platform.

24           We also see challenges with using NFTs as the sole source to  
25 authenticate or manage IP rights. As you've heard about, blockchain  
26 technology will permit anyone to inspect the NFT token's  
27 transaction history. Proof of ownership of the token doesn't tell  
28 you if the minter is a trusted source of the underlying asset,  
29 whether the underlying asset is authentic, and whether the minter  
30 has the rights to grant the IP licenses or rights in the underlying  
31 asset.

1           Neither does mere ownership of the NFT token establish any  
2 transfer of ownership of rights in the copyrights, trademarks, or  
3 other intellectual property rights associated with the underlying  
4 digital asset. To address these issues, legitimate minters in the  
5 music industry often use separate legal agreements and provide  
6 related information on their websites to clearly state who minted  
7 the NFT, what IP rights are being conveyed to the buyer, and what  
8 limitations and conditions apply to those rights. We think that the  
9 inclusion of this additional information is important for  
10 transparency and accountability purposes.

11           As we understand it right now, there is not a fulsome way  
12 within NFT smart contracts to describe all the varieties of  
13 licensing models that could apply, which is why we think there is  
14 this need for additional documentation and legal agreements.

15           But even if smart contracts get to the point where they can  
16 deal with the territorial issues, the temporal issues, and the  
17 variety of ways that people may want to license assets, we still  
18 think it's important for buyers to understand and for the  
19 information to be clearly and consciously conveyed to them about  
20 what rights they're getting and what rights are being preserved.

21           In order to address some of these issues, we would recommend  
22 that NFT marketplaces and NFT minters implement practices,  
23 including: engaging in practical know your business customer, know  
24 who's selling that asset, and some diligence on whether the person  
25 has the rights to do what they're doing; where appropriate, using  
26 effective content recognition solutions to mitigate against  
27 infringement; ensure that the digital asset is securely stored; and  
28 adopt practical notice-and-takedown programs so that we can have an  
29 effective mechanism to police these marketplaces to ensure that we  
30 can get rid of infringing activity.

1 Thank you for your time and I appreciate your listening to my  
2 comments.

3 <HOLLY LANCE> Thank you, Ms. Sheckler. Now we'll be moving  
4 onto. This is going to be our last two presenters, who are going to  
5 be presenting together. We have Mr. Tom Brooke and Ms. Susan  
6 Stearns. The floor is yours. Thank you.

7 <TOM BROOKE> All right. I'm Tom Brooke. Susan, let me get my  
8 camera here. There we go. I'm Tom Brooke with Holland & Knight in  
9 Washington, DC and a member of the INTA Internet Committee.

10 <SUSAN STEARNS> First of all, I want to thank everybody for  
11 their comments. Our colleagues at AIPPI and RIAA have definitely  
12 conveyed a lot of the information that the INTA also supports, just  
13 kind of illustrating the opportunities in NFTs, the complexity of  
14 the technology and the marketplaces, and the issues that brand  
15 owners are facing.

16 We are here, Tom and I, on behalf of the International  
17 Trademark Association, which is a global association of brand  
18 owners and professionals dedicated to supporting trademarks and  
19 complementary IP to foster economic growth, innovation, and those  
20 beneficial society benefits that come with it.

21 We are here not to convey any formal INTA policy, but to  
22 discuss issues that several of the committees are grappling with  
23 and reviewing, including our Emerging Technologies Committee and  
24 our Internet Committee. We are in the process of finalizing a  
25 couple of white papers on NFTs and the metaverse and IP issues and  
26 they will be published hopefully shortly later this year.

27 Specifically, what we'd like to raise before the PTO today at  
28 this roundtable, and we'll supplement with our survey answers, is  
29 use and enforcement.

30 IP rights owners are struggling with issues with ownership of  
31 their brands within the technology of NFTs. We'd like to see the

1 USPTO work with the international communities to have harmonization  
2 in registration classifications.

3 As a prior speaker noted, there seems to be some discrepancy  
4 right now on recently issued Nice recommendations versus the USPTO.  
5 And so one of the things that would be very helpful to brand owners  
6 is to have some clarity on if they're going to be filing to protect  
7 their rights in this technology, how those applications should be  
8 structured.

9 Further use issues also arise. What is the required use that  
10 would need to be shown in these applications for a rights owner?  
11 ITU applications is one of the issues. There's a lot of discussion  
12 on defensive filings that brand owners feel that they're compelled  
13 to do now because of the uncertainty in this space. Will a standard  
14 fashion application, for example, for 25 in apparel, be enforceable  
15 in a digital format, whether it's an NFT or other digital format  
16 seen in the "metaverse"? Those are issues that our practitioners  
17 are grappling with on a day-to-day basis that we really feel needs  
18 to have some clarity.

19 Again, if defensive ITU filings need to be done and are  
20 recommended, how do you show use if you're a brand owner that  
21 really does not want to go into that space, but has a brand that  
22 they feel can be infringed in that space?

23 <THOMAS BROOKE> Following up what Susan said, we've seen there  
24 are a number of pending applications. I don't know if any have  
25 issued, but it's been a few weeks since the last time I checked.  
26 But the guidance has been and the general feeling has been that  
27 class 9 and class 35 seem to be the right places, but we're not  
28 sure.

29 As Maria Scungio mentioned, there's all kinds of other virtual  
30 - virtual fashion show, virtual this, virtual that. Maybe we need  
31 to be talking about other classes, which just adds expense and

1 confusion for not only brand owners, but the professionals that  
2 represent them, and ultimately the consumer. Because of course, at  
3 the end of the day, trademark law is consumer protection law, and  
4 if nobody knows exactly how to protect anything, it becomes  
5 difficult and frustrating. So I think as Susan said, what we're  
6 really looking for is harmonization so that our clients can do the  
7 same thing in the United States as they would do in Europe or Asia.

8 The question on classes is for class 9. Is the digital token,  
9 obviously you can't hold one in your hand, but you can't hold most  
10 software in your hand these days either. Is that an appropriate  
11 place for an NFT, a digital token?

12 Then you get into the whole issue of titles, because, as with  
13 books, you can't register a single book or a piece of music as a  
14 trademark. There has to be a series and there has to be more to it  
15 than that. So if you've got a single NFT, you've got to register  
16 the name of that. But if you've got a platform, maybe class 35 is  
17 the way to go. That comports with what's you're saying, right,  
18 Susan?

19 <SUSAN STEARNS> That's exactly right. And I think, again, it  
20 also translates into enforcement, which kind of leverages off of  
21 some of what we've talked about. Brand owners are struggling with  
22 trying to enforce their brands in this space.

23 Even the marketplaces that are trying to comply with DMCA and  
24 other treaties and takedowns are also at a disadvantage because of  
25 trying to find who owns that NFT, who minted it, who is really the  
26 true infringer.

27 None of these are easy answers, but we do feel as part of the  
28 INTA, that within the framework of existing laws, we should look to  
29 see where those solutions are already there, as opposed to rushing,  
30 as a prior panelist spoke about, creating a rush to new things.

1 But let's look at the existing law, identify where there are  
2 gaps. As we mentioned, there's gaps in the classification system,  
3 there's probably gaps in what is use required in this space, and  
4 scope of rights in existing registrations. And then try to come up  
5 with guidelines and policies and supplemental regulations as  
6 necessary to address those gaps.

7 <THOMAS BROOKE> Right. As Professor Tushnet said, we've seen  
8 this before, and I'm a big believer in the law of unintended  
9 consequences. That things happen that we don't predict and don't  
10 anticipate. And we've seen it before and we'll see it again after  
11 this.

12 I do think that one of the issues is the zone of expansion.  
13 Specifically, we're talking about trademark law. If we're just  
14 talking straight up filing a trademark application and trying to  
15 get it registered, how much should prior registrants, how much of a  
16 zone of expansion should the examining core grant to prior  
17 registrants? What's going to happen in oppositions? Where is the  
18 zone of expansion? If I've got a registration for a mark for  
19 clothing or a fashion show and somebody tries to do the same thing  
20 on the metaverse with an NFT, is that going to be considered? Will  
21 my prior registration for an everyday, ordinary, plain old fashion  
22 show going to be considered?

23 I do also think that as I wrote this down, Thad  
24 Chaloeontiarana, on behalf of the ABA, spoke about authentication. I  
25 think at the end of the day, the authentication of physical goods  
26 may be the most important aspect of NFTs, even more to the art. And  
27 so if it's a service that provides authentication, how do you  
28 protect that? The use question really becomes a real can of worms,  
29 in my view.

30 <SUSAN STERNS> Yeah, and I think just another point too that  
31 we have talked about too at the INTA, is using NFTs as specimens.



1 Is that something that the PTO is looking at? Again, that would be  
2 something that we would be interested in, seeing how that is  
3 overlaid with the existing regulations. Trade dress is another  
4 issue that we feel is an emerging issue that will be coming up too  
5 in this space. NFTs, especially with digital things like the Bored  
6 Apes - what would rise to a recognized trade dress that would have  
7 IP rights associated with it?

8 <THOMAS BROOKE> And that goes back to the issue of single  
9 title, single work protection, because again, you can't protect a  
10 book, a single book, or a single piece of music as a trademark, the  
11 name of that. Each NFT, as we all know, is unique. It is on its own  
12 blockchain domain name, and it is a non-fungible token. It may be  
13 very similar, but it is unique. So how much protection?

14 Again, the zone of expansion - flipping around the other way -  
15 how much protection does an individual NFT get? The title of an  
16 NFT? If they all have a consistent look, and the Bored Apes, I  
17 would say that they do have a consistent look. The artwork is  
18 similar across the universe of Bored Apes. Not that I've studied  
19 Bored Apes carefully, but they all look pretty much the same to me,  
20 the art. Could somebody claim trade dress for that? And how?

21 Is there a product configuration for something that's purely  
22 virtual? This is an issue that I think does need to be grappled  
23 with, but I wanted to expand upon my authentication point and the  
24 fact that an NFT is really a tool, and we've used it here and other  
25 people have used it in Europe for service of process, dropping an  
26 NFT on an anonymous website.

27 I'll let Susan conclude, because she'll wrap it up better than  
28 me, is there's a lot of issues here that need to be considered. But  
29 I'd say if we want to leave you with anything, it's harmonization,  
30 harmonization and harmonization. And simplicity.

1 <SUSAN STERNS> I would agree. And then just recognizing that  
2 there are obviously different laws here that apply in the space,  
3 copyright is a significant one, as well as the trademark law. We  
4 propose that rights owners should be allowed to use all of the  
5 legislation at their disposal to be able to protect their rights.

6 <HOLLY LANCE> Fantastic. Thank you so much. You can see we do  
7 have some time left, so what we'd like to do is to invite everyone  
8 to the floor. Certainly optional, if anyone has any additional  
9 remarks, some things that came up that might be food for thought or  
10 things that you might want to talk about. But of course we're going  
11 to let you all talk about whatever you'd like relevant to the  
12 subject.

13 We haven't really talked a lot about definitions. I know we  
14 got some of that on the first panel, but to the extent there's  
15 anything that you all would like to add to that discussion. Also,  
16 speaking of legislation, current laws. I would be curious if anyone  
17 has any thoughts on whether the current laws, particularly with  
18 notice and takedown, do those provide a sufficient framework to  
19 address some of these enforcement issues, unauthorized use of  
20 assets? Certainly if anyone would like to speak about examples of  
21 current or future applications of NFTs as it relates to trademarks  
22 that might be relevant, I would welcome that. In terms of procedure  
23 here, if anyone is interested, go ahead. You can raise your hand or  
24 just turn your camera on and we'll recognize you. Again, I'm sort  
25 of casual here, where everyone can sort of have a few minutes to  
26 speak. I know Professor Tushnet, you were on first, so if you want  
27 to go ahead, the floor is yours.

28 <REBECCA TUSHNET> Great, thank you. I will say this is  
29 probably not the space to relitigate the great takedown wars, but  
30 my position on that I think is pretty constant, which is it's  
31 pretty much the least - it's like democracy, it's the worst

1 possible system except for everything else everybody has proposed.  
2 I'm happy to talk more about that, but I think I want to suggest  
3 that in some of the suggestions that we've heard, you're not  
4 writing on a blank slate when it comes to issues like transparency  
5 of terms and notice, which I think are very important to focus on.

6 But this would mean, I think, partnering with the FTC, which  
7 has deep knowledge about the kinds of disclosures that are  
8 important. Also, interestingly enough, the USDA did a study,  
9 commissioned a study, about disclosures in grocery stores and how  
10 many consumers have access to mobile phones to look up additional  
11 information when they're shopping. It's actually not that many.  
12 Most consumers are different from the people at this conference.

13 Again, it's probably wise to keep some modesty in mind that we  
14 are talking about a segment of the economy, not something that  
15 presently has the capability to give you more information about  
16 your candy bar. Maybe someday, but that's going to be dependent on  
17 internet access and basically wealth, not on developments in this  
18 space.

19 I also want to reinforce Professor Fairfield's caution in the  
20 context of transparency and notice. There are some things that  
21 consumers really want and things that they expect with things they  
22 think they own. No amount of disclosure is likely to be enough if  
23 you're doing something counterintuitive enough. That is a wicked  
24 problem. But there is research on it. Chris Hoofnagle and Aaron  
25 Perzanowski have done some, and I think being attentive to what the  
26 rules we write can and can't do is going to help keep this from  
27 getting further away from what consumers expect. Thanks.

28 <HOLLY LANCE> Thank you so much. Ms. Stearns, go ahead please.

29 <SUSAN STEARNS> I'd like to talk to that. I do think some of  
30 the discussion on notice and takedown probably will be more

1 appropriate at the Copyright Roundtable, but I can speak from  
2 personal experience.

3 Notice and takedown right now for NFTs is extremely difficult.  
4 It's difficult for the marketplaces to comply with DMCA and it's  
5 difficult for brand owners and copyright owners to get  
6 satisfaction. The reason is because you cannot find the single  
7 source of the NFT. Because of the way the technology is structured  
8 and, quite frankly, the consumers that are posting and the  
9 consumers that are buying, is this whole idea of decentralization.

10 Until that is grappled with, which I think is an extremely  
11 difficult discussion, it's going to be very difficult, and one that  
12 I think the Copyright Office is probably going to have to address  
13 in some ways because in order to comply with DMCA, you have to give  
14 notice to the person that is the alleged infringer. It is very  
15 difficult to find them because it's usually a pseudonymous wallet  
16 address. In that sense I think it's extremely difficult and it's  
17 not going to be an easy answer.

18 <THOMAS BROOKE> To supplement that, what's interesting is  
19 because I think the DMCA is difficult and finding the defendant is  
20 difficult, that is why I think the authentication issue is  
21 important and why I do think the law of unintended consequences is  
22 going to kick in.

23 It's interesting to me that the main lawsuits that I've seen  
24 involving NFTs have all been filed under trademark law, rather than  
25 copyright. I think that may be because some of the things that  
26 Susan observed here, because I think that the issue, the whole the  
27 Skywalker case and transformative use, scares some people.

28 That's why plaintiffs have brought the MetaBirkins case and  
29 the Yuga Labs case vs. Ripps and the Nike vs. StockX case. They're  
30 all trademark cases. So that's my outside--I've certainly not  
31 talked to any of the attorneys in those cases to get their

1 understanding as to why they didn't bother to file a copyright  
2 claim. But I do think that has factored into this, that they see  
3 trademark as a better cudgel at this point.

4 <HOLLY LANCE> I'm curious-- as sort of a follow up there. I  
5 know you mentioned the DMCA, and sure, that's for copyright, but I  
6 haven't seen any cases to date on pure counterfeit NFTs, but I  
7 wasn't sure if you all had any further thoughts on that. And that  
8 can be certainly open to the group in terms of availability to  
9 contact the platforms or to locate the counterfeit minter, etc.

10 <SUSAN STEARNS> I think there is a challenge there because  
11 there is this whole concept the original drop, if you will, of the  
12 NFTs. I mean, usually it's not a single NFT. If you're looking at  
13 the Bored Apes, for example, and things like that, they're a drop  
14 of a number of different NFTs, and then there's these impersonation  
15 drops that tend to shortly follow. That's a difficult situation for  
16 the marketplaces to identify-- what is a transformative, similar  
17 but not an infringing, versus an infringing impersonation? That's  
18 maybe where trade... [audio cut out] would help to address some of  
19 that as the law matures.

20 <VICTORIA SHECKLER> Holly, in response to your initial  
21 question about does the law need to be changed, I think we would  
22 urge caution at this point with respect to straight up copyright  
23 and trademark law. This is an emerging technology, just as other  
24 emerging technologies, and we need to wait to see how things  
25 develop.

26 That being said, as I'm sure you know, there have been  
27 criticisms of existing law and how it is implemented online, both  
28 on the copyright and the trademark side. All of those deficiencies,  
29 whatever your point of view of what those deficiencies are,  
30 continue to exist in the NFT space. So we should keep those things  
31 in mind as well.



1                   SESSION 3: BRAND OWNERS AND PRACTITIONERS PANEL

2  
3           <ANNA MANVILLE> Good afternoon everyone. I'm Anna Manville, an  
4 attorney advisor in the USPTO's Office of Policy and International  
5 Affairs, and I'll be moderating this final panel of today's  
6 roundtable.

7           During this panel, we will be hearing from brand owners and IP  
8 practitioners about IP considerations as they relate to trademarks  
9 and NFTs. As mentioned during the panels this morning, your input  
10 is critical in helping to ensure we have a full understanding of  
11 this emerging technology, including any challenges and  
12 opportunities NFTs present for IP owners in obtaining, protecting  
13 and enforcing their rights.

14           During your remarks, you may address any issues you believe  
15 are relevant to the joint study being conducted by the USPTO and  
16 U.S. Copyright Office, and you may address either the specific  
17 questions posed in the Federal Register Notice or you may raise  
18 additional issues if you believe they are important for the Offices  
19 to consider as we conduct the study.

20           Before we begin, I'd like to review a few ground rules so that  
21 we can ensure all panelists have a sufficient opportunity to  
22 provide their comments. We will ask speakers to limit their remarks  
23 to five minutes each and to prioritize the issues they would like  
24 to highlight. If time remains at the end of this panel, each  
25 panelist may have an opportunity to provide a few additional  
26 observations. We will need to strictly enforce this time limit, but  
27 we welcome panelists to submit written comments in response to the  
28 joint Federal Register Notice. The deadline for submitting those  
29 written comments is February 3, 2023.

30           So with that, we will begin. Our first panelist is Jessica  
31 Neer McDonald from Neer McD PLLC and Blockish IP. Jessica?

1 <JESSICA NEER MCDONALD> Thank you, Anna. It's a pleasure to be  
2 here. Thank you so much for taking a serious look at these issues.  
3 I'm really excited to be here with you this afternoon.

4 My name is Jessica Neer McDonald. I am a trademark and  
5 copyright attorney at Neer McD PLLC, based here in Miami, Florida.  
6 I come from the perspective of representing brand owners, native  
7 Web3 companies, artists, and those interested in blockchain and  
8 emerging technologies.

9 I'm going to do a short presentation. I know we have a short  
10 amount of time. On each of the slides, I'm going to include some  
11 media that are tied to some NFTs, so we can actually see what we're  
12 working with. This one is specifically by amazing photographer Cass  
13 Simmer.

14 I'll address the Federal Register Notice, question number two  
15 about trademark opportunities and challenges with NFTs. So as far  
16 as opportunities go, the ability to have timestamped evidence of  
17 actual use and frequency of use is extremely helpful from the  
18 perspective of a brand owner and those that may be considering "did  
19 I come after this person?" By being able to trace things back to a  
20 public blockchain, it can be extremely valuable. Not just for  
21 showing dates of first use, but also things like acquired  
22 distinctiveness, secondary meaning. You can see how long it's been  
23 used. Maybe it all depends on the goods and services. But if  
24 there's several owners of the NFTs, that can certainly be helpful  
25 evidence. As well as an abandonment defense. If you're able to see  
26 there's been some trademark use here and there, we're able to  
27 timestamp it back and look to see when that happened.

28 Trademark owners' best friend--one of our best friends-- is  
29 the Internet Archives' Wayback Machine, which saves in time what a  
30 website looked like at a certain date. Extremely valuable. To be



1 able to have opportunities like that through NFTs, through  
2 blockchain technology generally is extremely helpful.

3 On the screen is an NFT, and all this text is actually on  
4 chain - it's through the Polygon blockchain - and it actually  
5 refers to NFT histories. You can see among the first NFTs was  
6 Namecoin, which was a Bitcoin fork back in 2011. The use of names  
7 and logos, it's helpful to see here - this is Etherscan, the  
8 ability to look at some things going on in the Ethereum blockchain  
9 and you can see logos being used, you can see trademarks being  
10 used. There are links where you can actually look at the smart  
11 contract and try to be able to discern who the owner is, what it's  
12 doing. But it is very nice. You can look here at the bottom and see  
13 when this NFT was minted or created. This one in particular -  
14 November 29, 2021.

15 You can also see some transfers of ownership. This long number  
16 here - 0x39 etc. - refers to a wallet address, and [unintelligible]  
17 in the whole - these are all blockchain domains that are really  
18 shortcuts for the address, the wallet address. But you'll see, it  
19 really does have broader implications than just being a shortcut  
20 for a wallet address. It can also be used to refer to an IP  
21 address, what we're used to domain names functioning as, it can be  
22 used to refer to your digital identity and such.

23 One of the points that I also wanted to mention here is that  
24 that name in particular, that can function as an NFT. Like through  
25 ENS, the Ethereum Name Service, like through Unstoppable Domains.  
26 There's others like Handshake, but this one in particular, I can  
27 put this name - or NFT if I'm searching for one - in any kind of  
28 marketplace and it can actually call it up.

29 That's really important in identifying NFTs as coming from a  
30 single wallet. It can also be helpful as brand owners usually have  
31 to play a game of whack-a-mole, have to go to different service

1 providers like YouTube, Facebook, Amazon, etc., to ask them to take  
2 down certain things.

3 <ANNA MANVILLE> Can I just you a quick reminder that we don't  
4 see your slides? I think we have about one minute left if you can  
5 share the screen.

6 <JESSICA NEER MCDONALD> Oh, I thought I was. Hold on. Oh,  
7 that's so strange. Well, since we're getting towards the end..

8 <ANNA MANVILLE> We have one more minute, if that works for  
9 you.

10 <JESSICA NEER MCDONALD> Yeah. Oh, that's so strange. Sorry. It  
11 was coming up as sharing. I thought it was sharing on my end. I  
12 wanted to also, in referring to that single wallet, be able to show  
13 you that that single wallet, you can retrieve different  
14 cryptocurrencies, you can associate it with an email keyword, all  
15 these things that we look to in addition to trademarks, like blue  
16 checks, etc., to try to verify source.

17 Some challenges - we did talk about a lot of challenges, so  
18 I'll be fairly quickly with this. But there is some concerns about  
19 difficulty in removing infringing uses. While I've personally had a  
20 good amount of success in removing things from traditional NFT  
21 marketplaces, that still doesn't quite remove the token.

22 So in addressing the opportunities and challenges, I'm really  
23 excited that the PTO and Copyright Office is looking at stakeholder  
24 meetings. I also definitely encourage website developers to be  
25 involved. There's a saying, "devs do something." I think devs can  
26 do a lot of something here. Having conversations with brand owners  
27 and also including marketplaces and continuing education. Thank you  
28 so, so much.

29 <ANNA MANVILLE> Great. Thank you very much, Ms. McDonald.  
30 We'll move on to our next speaker. That is Nedeem Nasser. Nedeem?

1 <NEDEEN NASSER> Hi. Thank you, USPTO, for holding this  
2 roundtable study. It's really important to anticipate the hurdles  
3 in the NFT climate and to try to find solutions proactively rather  
4 than waiting until later.

5 My name is Nedeen Nasser. I have a small practice focusing on  
6 trademark, taxation, and transactional contract issues. In my  
7 practice, I've seen much counterfeiting of products and  
8 unauthorized use of trademarks.

9 My fear is that with NFTs being such a new technology, we'll  
10 have a type of NFT trademark cybersquatting going on, similar to  
11 trademark squatting, similar to the cybersquatting that was going  
12 on in the dot-com era, where we had people registering marks just  
13 so that they can profiteer from it later.

14 Currently, much of NFTs are registered under classes 9 and 35  
15 as a separate class of goods and services. But my hope is that when  
16 granting those trademark registrations, that the USPTO will conduct  
17 their searches and examine that looking at a broader range of  
18 classes.

19 For instance, a luxury brand may not currently be in class 9 -  
20 downloadable media - but if someone applies for it using that  
21 luxury brand name, there's really nothing stopping them from  
22 getting an NFT under that name. We just have to do a better job -  
23 or we'll have to do a good job of - making sure that those NFTs  
24 don't get granted ownership in the wrong hands.

25 When talking about NFTs and trademarks, I kind of see it being  
26 used in two ways. The first is registering the mark with a class of  
27 goods that covers the NFTs in its description of goods and  
28 services, similar to what I was talking about in that last example.  
29 Secondly, it's actually using NFTs' blockchain technology as a  
30 method by which we register the trademarks and validate ownership,

1 and potentially also licensing. So where each trademark  
2 registration would theoretically have its own NFT.

3 With respect to that, I have the concern of the USPTO's  
4 ability right now to be able to protect the integrity of the  
5 Register in using NFTs to validate ownership. The way I see it, the  
6 USPTO will have to figure out a way to exercise control over an  
7 exchange itself that it creates. Currently, we've got certificates  
8 being issued for registrations with the USPTO and the TTAB will  
9 monitor the validity of marks or cancel marks, respectively. But if  
10 down the line it cancels a mark, but that mark is an existing NFT,  
11 then there needs to be a way to actually cancel that NFT token, to  
12 remove it from the marketplace. That can only happen if the USPTO  
13 has its own exchange.

14 The next topic that I want to get to is maybe interagency  
15 cooperation. What I'm curious about is, if we can get trademarks on  
16 NFT blockchain technology, then will the USPTO and its exchange  
17 work in conjunction with other agencies, like Customs and Border  
18 Protection, to help thwart counterfeited goods entering the border?  
19 I think that's something that we should look at, and the technology  
20 behind that.

21 Right now, Customs, you can register with CBP to get  
22 counterfeit goods removed from the border. But it would be better  
23 if there was a way for CBP to verify the authenticity of goods  
24 through NFT technology. That's all I have today.

25 <ANNA MANVILLE> Thank you. Thanks very much. Our next speaker  
26 will be Michael Geller from DLA Piper. Mr. Geller?

27 <MICHAEL GELLER> I'll also try to be pretty brief. I wanted to  
28 address question number three, which is "describe how NFT markets  
29 affect production of materials associated with IP production."

30 What was just said kind of covers what I wanted to say in  
31 general. Just what I wanted to touch on is what are brand owners

1 looking at in terms of how their current services and goods are  
2 changing in view of NFTs and the proliferation of NFTs.

3 As the previous presenter said, from the brand owner side, I  
4 think brand owners are thinking about, how do I expand to cover my  
5 IP assets? If I have a physical good, how do I expand into the  
6 digital world? And whether as a secondary-- whether that's even  
7 necessary to do so.

8 When NFTs started to explode around this time last year, we  
9 saw a flood of new filings in class 9, some in other classes, but  
10 mostly 9, associated with NFTs. So the question at that point  
11 becomes, as the previous presenter noted, how do you protect a  
12 brand asset when class 9 is being flooded, but the brand owner may  
13 provide particularly goods in class 18, class 25, any other goods  
14 class?

15 We're seeing an influx in class 9. For brand owners, I think  
16 the key is pushing the legal landscape such that the key is not  
17 registering in class 9. And a registration in class 9 is not  
18 essential for protecting IP assets in NFTs that merely reference or  
19 are derived from a physical good, a good in the physical world.

20 On the other side is how can NFTs be used to basically justify  
21 a good or identify a good for counterfeit purposes or for  
22 provenance purposes or certificates of authenticity? I think brand  
23 owners are continually looking at that and whether they can  
24 manufacture their goods or change their means of production such  
25 that their goods can be certified by NFTs and the brand owner  
26 themselves is doing that, as opposed to a third party doing that.  
27 Because if a third party is doing it, the question at that point  
28 becomes whether that certification is valid and genuine, and  
29 whether it's actually the good that it stands behind.

30 That's largely what I wanted to say, and I wanted to give some  
31 time back.

1 <ANNA MANVILLE> Great. Thank you very much. We'll keep moving  
2 along. Our next speaker will be Moish Peltz from Falcon Rappaport &  
3 Berkman.

4 <MOISH PELTZ> Hello. Good afternoon, everyone. Thanks for  
5 having me. And thank you to the USPTO for hosting this forum.

6 I'm a partner at Falcon Rappaport & Berkman, where I wear two  
7 hats - one of which is leading our Intellectual Property practice,  
8 but then also our Emerging Tech and Blockchain practice group,  
9 leading me here today.

10 Many of the panelists throughout the day have raised some  
11 excellent points, and so I'll just highlight some of my own  
12 personal ones that I think deserve some consideration.

13 The first two are on the policy, which is, I believe this  
14 technology is at least, at its most optimistic point of view,  
15 extremely innovative. If the USPTO, all the way from the  
16 Constitution through the President's Executive Order and so on, is  
17 seeking to foster innovation and allow the United States to harness  
18 this innovation for the benefit of the country and for the world,  
19 then I think it's really important that we get it right on the  
20 policy and creating the right economic incentives for this  
21 technology to flourish and for it to be able to be protected and  
22 monetized appropriately.

23 I think there's that dual goal of, one, fostering innovation,  
24 and two, protecting consumers. That second one, I think, is--you  
25 see in the crypto sphere, it's very volatile, right? So there's  
26 some days where it looks like this is the most ridiculous  
27 technology in the world and it shouldn't be allowed to exist. And  
28 there's some days where you see something you've never seen before  
29 and it happens again and again.

30 So the second policy point I would advocate here is patience,  
31 that it's not going to be a straight line upwards. There's going to

1 be, I would say, trying times. We've already seen some in the past  
2 year or two in the broader cryptocurrency markets. I think that's  
3 going to flow through to the intellectual property aspect of it  
4 too.

5         There are, as we've heard from many brand owners today,  
6 significant challenges with enforcement in decentralized  
7 marketplaces on the blockchain. I think it's very important that as  
8 part of what the USPTO does and what practitioners and brand owners  
9 do is exercise patience, understand that things are evolving  
10 quickly and they will continue to evolve quickly. The best thing we  
11 can do is - what we're doing here - is study, understand what's  
12 happening, talk to other informed practitioners and business owners  
13 and brand owners in the marketplace, and be patient and develop  
14 policies that support the innovation that is happening here.

15         I think, as we've already seen, there's so many use cases from  
16 authentication, anti-counterfeiting, and so forth that really  
17 provides such potential for brands. There will be a time, I think,  
18 like we saw with the DMCA or the ACPA, where there is a need to  
19 tweak or modernize the laws. That time may come. I don't think  
20 we're close to that time yet. I think the whole industry should  
21 continue to think about what when it would be the right time to  
22 further those discussions.

23         In terms of what can the USPTO do now, today, I think it's  
24 really fostering that innovation and adopting that mindset of  
25 flexibility, continuing to be patient. Keep doing what you're  
26 doing. Listen to practitioners, to brand owners, industry groups.

27         But also, I think, let's make it easy for small and medium-  
28 sized businesses to start businesses around blockchain concepts  
29 using native NFT intellectual property and to be able to protect  
30 those as a small business and to be able to differentiate  
31 themselves from the existing world of intellectual property that

1 already is out there and perhaps has a registered trademark. Let's  
2 make it possible for some of the new idea that is genuinely  
3 differentiated, that isn't getting stuck with a class 9  
4 application, that is now getting opposed by 10 other brands that  
5 are genuinely different, but feel that they have to enforce this  
6 upstart.

7 Let's allow for innovation. Let's allow for new businesses.  
8 Let's make sure that we have proper flexibility. That the way that  
9 classes, for example, are described, because the services  
10 description-- there's a lot of pushing towards Class 9, towards X  
11 that is authenticated by NFTs. Let's allow for flexibility. I would  
12 like to see perhaps some specialized examination procedures, like  
13 cannabis and CBD applications have examiners that are focusing just  
14 on that segment. Perhaps there's some possibility here to have  
15 examiners that are super familiar with blockchain technologies so  
16 they can examine these applications diligently and then be able to  
17 interface with brand owners and their council in a way that gets it  
18 right and does the best rules on the register. I will yield the  
19 rest of my time and thank you again for having me.

20 <ANNA MANVILLE> Great, thanks so much. Our next speaker will  
21 be Frederic Rocafort. Mr. Rocafort?

22 <FREDERIC ROCAFORT> Thank you and good afternoon to everyone  
23 again. My name is Fred Rocafort and I am an attorney at Harris  
24 Bricken.

25 I would like to focus on some of the practical issues  
26 regarding trademarks and NFTs that we are encountering in our  
27 practice. The first concerns the issue of relatedness between goods  
28 as it is addressed in the NFT context. The question is really to  
29 what extent should an analysis of relatedness consider or ignore  
30 the barrier that exists between physical goods and virtual goods?



1 I have over the years represented many global brands, helping  
2 them combat counterfeiting in China and other markets. Because of  
3 that experience, I am well aware of their concerns and understand  
4 the view that they have, in some cases, that the metaverse should  
5 be a natural area for expansion based on their activities in the  
6 physical world and in earlier iterations of the web, just as there  
7 has been an expansion from perhaps a core group of fiscal goods to  
8 others.

9 However, there are other considerations that have to be taken  
10 into account, not least of which is the potential for a distortion  
11 of fundamental trademark principles. Another roundtable participant  
12 noted some of the potential issues regarding the establishment of a  
13 date of first use. If trademark rights connected to a physical good  
14 can end up establishing rights in virtual goods, will the opposite  
15 happen?

16 These are questions for which I'm afraid I don't have the  
17 answer. But nonetheless, I think these are questions that need to  
18 be carefully considered at the policy level, as has been said in  
19 this panel. You know, getting it right from the from the start.

20 Also, on this issue of relatedness. Ironically, I think that  
21 we run the risk of playing into simplistic notions of what NFTs are  
22 if the overriding view is that anything you create in the virtual  
23 world will be governed by what protection is afforded to the  
24 physical good.

25 A second issue that I would like to bring up concerns the  
26 availability of trademarks for new entrants into the marketplace.  
27 Clearly, the opportunities that have been created by the  
28 development of Web3 and NFTs specifically are fueling an era of  
29 creativity, which is expanding the economic pie. There's new  
30 economic activity that in turn leads to more trademark

1 applications. Director Vidal was sharing some numbers to this  
2 effect during her opening remarks.

3 Yet brands that are entering this space, in some cases  
4 companies that are starting out period in the marketplace, they run  
5 into the reality of a crowded registry. In particular, as we've  
6 seen and we've heard in this very panel, certain classes are  
7 getting very crowded. This of course, ties into the broader issue  
8 of trademark deadwood. But there is also the unescapable reality  
9 that the universe of goods and services is expanding as it has been  
10 doing since time immemorial.

11 Looking specifically at the growth in intangible assets  
12 earlier during the roundtable, someone mentioned basically how we  
13 had gone from 17% of intangible assets back into the 70s to 90% of  
14 all assets being intangible nowadays. So there's been a fundamental  
15 shift.

16 The creation of additional trademark classes might not be the  
17 solution, might not be part of the solution, but it could help,  
18 right? We just have to accept that there have been fundamental  
19 changes in the way the economy is operating.

20 The important thing, ultimately, is to make sure that there is  
21 space for new entrants to receive trademark protection and to be  
22 able to distinguish between the different functions and the  
23 different spaces that are occupied within the NFT space.

24 Finally, as we think of these issues, it is important to keep  
25 in mind that the U.S. trademark system does not reside in a vacuum.  
26 Director Vidal addressed this square directly during her opening  
27 remarks. What we do here in the United States has implications at  
28 the international level. So as we come up with solutions, as we  
29 discuss ways to proceed, we need to make sure that what we are  
30 doing here in the U.S. can be accepted, in general terms, at the  
31 international level to make sure that there is at least some

1 measure of agreement internationally and that brands can avoid  
2 issues as they venture abroad and seek seek trademark protection  
3 internationally. Thank you so much.

4 <ANNA MANVILLE> Thank you very much. Very helpful. Our next  
5 speaker on our list here is Alfred Steiner from Meister & Steiner.  
6 Mr. Steiner?

7 <ALFRED STEINER> Hello everyone. My name is Alfred Steiner of  
8 Meister & Steiner. I don't normally like to do this, but to get in  
9 all of my comments, I'm going to read my statement. So here goes.

10 I'm going to talk about three things - identifications of  
11 goods and services for NFTs, whether and how continued use can be  
12 shown for an NFT collection after it sells out, and whether NFT  
13 collection titles should be treated like single creative works or a  
14 series of creative works for trademark registration purposes.

15 My comments apply to NFTs associated with digital resources of  
16 the kind that predominate on marketplaces like OpenSea. The USPTO's  
17 Trademark ID Manual characterizes these things in class 9, as  
18 downloadable files authenticated by NFTs, but I don't think that  
19 accurately describes what an NFT buyer is buying. To see why, ask  
20 yourself what NFT buyers receive beyond what's available to the  
21 public. The digital resource associated with an NFT is typically  
22 available to the public for download in the same form as it is to  
23 the NFT buyer, so the good or service in question is not really a  
24 downloadable file. If you have doubts about that, ask yourself  
25 about an NFT collection like Crypto Punks that was launched without  
26 a license. Would the NFT buyer necessarily have the right to  
27 download the associated image? If so, would that right be broader  
28 than the rights afforded by fair use?

29 What an NFT buyer really gets is a ledger entry maintained by  
30 software deployed to a blockchain that associates their blockchain  
31 address with the NFT through the owner of or similar function. So

1 it would be more accurate to put the identification of goods and  
2 services for a typical NFT project in class 42 in two parts, as  
3 follows: Part one, for creating NFTs, would go like this,  
4 "Providing online non-downloadable software deployed to a  
5 blockchain for creating nonfungible tokens that store links to  
6 metadata associated with digital files." Part two, for maintaining  
7 the chain of possession, would go like this, "Providing online non-  
8 downloadable software deployed to a blockchain for associating NFTs  
9 with blockchain addresses through an owner function." Notice that I  
10 didn't say associating NFTs with blockchain addresses of owners,  
11 because who the blockchain identifies as the owner may not have  
12 title to the NFT despite having possession of it.

13 NFT buyers may also receive a license or grant of rights in  
14 the resource associated with the NFT, and so NFT creators should  
15 consider filing in class 45, "copyright licensing of digital files  
16 associated with nonfungible tokens" or simply "copyright  
17 licensing."

18 SuperRare appears to be the first to have done this back in  
19 October. And because the license is ongoing, these services  
20 continue to be provided after the collection sells out, which  
21 provides one potential solution to my next question - whether and  
22 how an NFT creator can show continued use for an NFT collection  
23 after it sells out.

24 Popular NFT collections may sell out in hours or even minutes.  
25 Once that happens, is the NFT creator still offering goods or  
26 services for sale in commerce? You may recall that I divided my  
27 proposed class 42 identification of services into two parts - one  
28 for creating the NFT and one for maintaining chain of possession.

29 Even after the collection sells out, the software continues to  
30 perform the chain of possession service. But is the NFT creator  
31 performing the service? Arguably yes, if the NFT creator maintains

1 control of the smart contract. But what if the NFT creator disowns  
2 the smart contract by transferring control to a burn address, which  
3 some projects have done to establish that their NFT collection  
4 cannot be altered?

5 In that case, to maintain rights in an associated mark, the  
6 NFT creator may need to create and offer more NFTs for sale under  
7 the same mark through a different smart contract, which may raise  
8 problems with express or implied covenants regarding the maximum  
9 supply of NFTs in the collection.

10 This takes me to my third and final topic, whether NFT  
11 collection titles should immediately qualify for trademark  
12 registration or instead be treated like book and film titles, which  
13 require a series to merit registration. On the surface, the answer  
14 may seem clear because NFT collections involve a series of images.  
15 But the elements of a typical NFT collection are all produced and  
16 available for sale at the same time, unlike most book and film  
17 series, which tend to be released over a period of years. NFT  
18 collections can also be created in a matter of hours or even  
19 minutes. Because of this, there's a risk, as the previous speaker  
20 noted, that it will become nearly impossible to drop an NFT  
21 collection without infringing the rights of another collection  
22 unless NFT collections are treated as single creative works.

23 Anecdotally, examining attorneys do not appear to be raising  
24 this issue either as an advisory for intent to use applications or  
25 as a refusal for in-use applications. The USPTO should consider  
26 amending TMEP section 1202.08 to provide guidance on when an NFT  
27 collection will be considered a single creative work or a series of  
28 works. That's it for me. Thank you everybody.

29 <ANNA MANVILLE> Thanks very much. A lot of ideas there that we  
30 will definitely be looking into. Our next speaker, I believe, may  
31 not have been able to join us, but I will see. Raj Abhyanker? I

1 don't see the name on the list. So we'll move on to Peter Jackson  
2 if he was able to join us. Peter? Okay, then we will move on to  
3 Natalia Aranovich at Aranovich Law Firm.

4 <NATALIA ARANOVICH> Hi, good morning or good afternoon  
5 everyone, wherever you are at. My name is Natalie Aranovich. I'm an  
6 attorney. I practiced 15 years in Brazil - trademark law - before  
7 moving to the U.S. Here, I've been working for six years, and as a  
8 California attorney. It's an honor for me to be here today because  
9 my whole history as an attorney began with the conflict between  
10 domain names and trademarks. That's how I got my visa and my green  
11 card here in U.S. So it's an honor to be here today and thank you  
12 very much to the USPTO for accepting my application.

13 And here I'm going to talk today about two topics that I think  
14 that are important in the Federal Register Notice. The first one is  
15 domain name registration on the Web 3.0 and cybersquatting. And the  
16 second one is the concept of wearable and potential conflict  
17 between class 25 and class 9.

18 So domain name in the Web 3.0 and cybersquatting-- in the 90s,  
19 in the late 90s, we saw a lot of conflicts between domain names and  
20 trademarks. One of the first cases with McDonald. So people are  
21 purchasing domain names to sell to the real owner of the trademark.

22 What happened is a new domain system has been developed for  
23 the Web 3.0. What happens right now is that each wallet, instead of  
24 having a number, could have a name associated with the wallet. So  
25 we have decentralized organizations working with that.

26 And as same has happened in the late 90s regarding domain  
27 names and internet, we are seeing now. For example, Ethereum Name  
28 Service is one of the decentralized organizations where you can  
29 register a domain name.

30 Here is some data. So a record of registration of domain names  
31 in 2022. So now we have more than one organization register domain

1 names, could be in with .ETH. We saw Unstoppable Domains also early  
2 morning.

3 Here is some data from Dune Analytics showing that 630,000  
4 unique wallets created 2.82 million new domain names. Four hundred  
5 and fifty-nine thousand of those domain names are primary names  
6 like first-level domain names as we have with the internet that we  
7 use now. September 2022 had a record of registrations and the data  
8 also shows that the majority of registrations were done for  
9 investment purpose.

10 What does that mean? People register domain names to sell to  
11 the real owner of the trademark. We already saw that the wheel was  
12 invented, so we had a whole system created by ICANN to register  
13 domain names of one conflict. And also in foreign countries we also  
14 saw that entities was responsible for creating registered domain  
15 names.

16 And now we are having a déjà vu. Why? Because this whole thing  
17 is happening again. So I think we should think about not, regarding  
18 domain names, not creating the wheel, but not reinventing the wheel  
19 actually, but adapting the wheel to the new technology that we  
20 have.

21 Another thing that I would like to point is the  
22 misclassification and likelihood of confusion between classes 9 and  
23 25. Let's say, for example, clothes are defined according to the  
24 Oxford Dictionary. The definition is "items worn to cover the  
25 body." The two recent cases, most important cases we've had  
26 involved in NFTs and trademarks, was the Hermes vs. Rothschild  
27 selling the MetaBirkins, and also the case between Nike and StockX  
28 also using trademark.

29 So what we saw there is that there is the concept of the  
30 artwork, which I'm not going to get into here right now because I

1 don't have enough time, but also if it is artwork or not protected  
2 by free speech.

3 But I think also we are seeing change in the definition of  
4 wearables. Why? Because where it was something that I wear in my  
5 body, but now I can purchase a digital image that is clothes. We  
6 had a whole fashion event in the metaverse displaying digital  
7 clothes so people can wear on the avatar.

8 So that is a conflict that we have to pay attention. I think a  
9 digital asset was never confused before with clothes or a tennis  
10 shoe. But now we're going to see more of that. So I think we need  
11 to adapt and think of adapting those concepts that we have, old  
12 ones, to the new reality.

13 And those are my remarks. Thank you very much. That's it.

14 <ANNA MANVILLE> Thank you. Thank you very much. Next we have  
15 Jacquelyn Knapp, Asics America Corporation.

16 <JACQUELYN KNAPP> Hello, my name is Jackie Knapp and I'm  
17 counsel for Asics America Corporation. Thank you to the USPTO for  
18 hosting this panel. I'm excited to be here with all of these other  
19 excellent panelists.

20 I wanted to provide an example of the company's current use of  
21 NFTs. We released our first NFT collection in 2021, which was an  
22 NFT as a digital artwork asset. After our first NFT release, we  
23 wanted to create NFTs that would provide additional value to a  
24 consumer apart from simply being a collectible that lives in your  
25 digital wallet. We think life in the metaverse should complement  
26 your life offline instead of replacing it and we were able to build  
27 on our experience from our first NFT collection.

28 Our second release was with a move-to-earn platform that  
29 encourages and inspires consumers to move. We were able to build--  
30 as I mentioned before, we were able to build on our experience from



1 our first NFT collection and find a good partner which lined up  
2 with our brand values.

3 Our third NFT release was coupled with a physical shoe that  
4 could only be purchased with cryptocurrency. This was both a  
5 marketing tactic and it had a practical element to it as well - to  
6 associate this release exclusively with customers who are active in  
7 the metaverse.

8 We're facing a number of challenges as it relates to NFTs and  
9 most of the challenges relate to uncertainty. One issue is proving  
10 use with the USPTO. Asics is in a spot where we are minting NFTs  
11 and would potentially be able to submit one of our NFTs as a  
12 specimen of use. But that is a different story for brands that  
13 haven't yet entered the space, but may want to defensively file an  
14 application. It's also not clear that we would be able to use the  
15 same NFTs that were minted with our maintenance and renewal  
16 applications if the company decided to discontinue releasing new  
17 collections.

18 One of our biggest challenges is enforcement on NFT  
19 marketplaces. We don't know if our trademarks in standard classes  
20 will always be accepted by platforms to take down unauthorized or  
21 counterfeit NFTs. Will platforms require a trademark registration  
22 that specifically covers NFTs or other digital goods? Will the  
23 registration from any country be sufficient, or will it be  
24 something else entirely?

25 For best practices for brands, we have recognized that this is  
26 a new and developing area and no one has all of the answers right  
27 now. That includes vendors, service providers and other partners.  
28 You have to be comfortable being uncomfortable and understanding  
29 that this area is continuously developing.

30 We are monitoring a number of cases, including the Hermes case  
31 and Nike v. StockX. We are also monitoring trends in smart

1 contracts and how the smart contracts are being applied. I would  
2 also suggest getting your hands dirty and walking through the  
3 minting process, or at least opening a crypto wallet and going  
4 through the process of purchasing an NFT. It is great to understand  
5 how NFTs and crypto wallets work in theory, as well as what aspects  
6 are important in smart contracts, but it's important to actually  
7 experience this as well.

8 Thank you to the USPTO for having me. That's all that I have.  
9 Have a good one.

10 <ANNA MANVILLE> Thank you so much for providing a brand owner  
11 perspective. It's all very helpful for us. Our next speaker will be  
12 Angela Kalsi from Greensfelder, Hemker & Gale.

13 <ANGELA KALSI> Hi everyone. My name is Angela Kalsi. I'm a  
14 partner in the IP group at the law firm Greensfelder, Hemker &  
15 Gale. For the last ten years, I've focused my career on trademark  
16 law. Thank you to the USPTO for holding this panel today to discuss  
17 this really important topic.

18 As an IP practitioner, I am really excited about the potential  
19 nonfungible tokens bring to our field. For instance, the use of  
20 smart contracts to seamlessly transfer IP rights, which we're  
21 already starting to see as some NFT sellers are transferring  
22 licenses and the underlying IP to purchasers of an NFT, but also  
23 the ability of security tokens to represent ownership, and the  
24 possibility that one day trademark registration certificates could  
25 be issued as NFTs.

26 But that aside, I am here today on behalf of my clients, who  
27 comprise companies in a variety of mostly traditional industries,  
28 as well as artists and creators. So, on the whole, my clients are  
29 excited or at least curious about the potential NFTs bring to their  
30 businesses, whether it's the ability to exercise better control  
31 over their products, to fight counterfeits and authenticate goods,

1 or to tokenize their wares in the digital world, or to create  
2 communities. But at the end of the day, they want to ensure their  
3 IP will be protected. And for clients who are not so interested in  
4 the NFT world, they want to ensure their IP will be protected too.

5 So, like all of us here, I'm watching with interest the Hermes  
6 case of the MetaBirkins and the Nike v. StockX case addressing the  
7 first sale doctrine. And it will be important to get clarity on  
8 these legal issues going forward. As companies are increasingly  
9 tokenizing their physical products, they will need to know how and  
10 if their NFTs would be distinct from the physical assets to which  
11 they correspond.

12 But for the here and now, while we await decisions in some of  
13 these big cases, the USPTO can take steps to provide better clarity  
14 on some important and practical issues. For instance, brand owners  
15 who are not interested in minting NFTs should still be entitled to  
16 protection against trademark infringement in the NFT space.

17 So how then will the USPTO treat applications in NFT classes  
18 for identical or confusingly similar marks that are registered in  
19 different classes that, under a traditional relatedness of goods  
20 analysis, may not lead to a 2(d) refusal, but in reality it could  
21 mean granting registration to someone trying to free ride on a  
22 brand's goodwill in the NFT space.

23 To the extent the USPTO has ability to affect policy, it can  
24 put pressure on NFT marketplaces to better protect IP. For  
25 instance, a client contact of mine who is an art collector was in a  
26 situation recently where the NFT he purchased in good faith was  
27 discovered to be using artwork stolen from someone else. The NFT  
28 was delisted from that marketplace and will bear a flag of being  
29 fraudulent if it's listed anywhere else. In that instance, the  
30 marketplace had put the onus on the rights holder in question to  
31 report the infringement, and that's just a significant burden on

1 rights holders. It creates risk and uncertainty for both innocent  
2 buyers and brand owners. Therefore, whether it's something akin to  
3 the Amazon Brand Registry or to YouTube's use of AI to police the  
4 content on its site, or just having better takedown mechanisms, I  
5 think these solutions need to be explored.

6 Finally, on the question of the evolution of IP law, I'm  
7 particularly interested in the way IP is being treated in the NFT  
8 space and how traditional legal principles will apply.

9 For instance, as we all know, one of the most successful NFT  
10 collections, the Bored Apes, famously give away all rights in the  
11 IP of the NFT you purchase. You can monetize that artwork, turn it  
12 into a logo, and use it as a brand to promote your own business.  
13 It's been a successful model for Bored Ape, even though it's kind  
14 of counter to traditional business practices.

15 But ultimately, when your customers have free rein over your  
16 brand, how can you claim to be exercising control, such that the  
17 brand is not diluted over time? I wonder if traditional principles  
18 around naked trademark licenses will catch up to them eventually or  
19 if that will evolve.

20 So anyway, those are just some of the topics that I hope the  
21 USPTO is considering. I've really enjoyed hearing from my fellow  
22 panelists who've raised some really thought-provoking issues that  
23 I'm excited to discuss further. But that's all from me. Thank you  
24 again.

25 <ANNA MANVILLE> Thank you. All very helpful. We're seeing some  
26 prevailing themes, I think, and some common concerns and issues,  
27 which is all very valuable for us to know. Our next speaker will be  
28 Joe. I'm going to pronounce this, I hope, correctly. Guagliardo.  
29 Thank you.

30 <JOE GUAGLIARDO> Thank you very much to the USPTO for the  
31 opportunity. I'm Joe Guagliardo. I'm a partner at Dentons in the

1 Venture Technology group where I lead our global blockchain and  
2 crypto practice. Dentons is the world's largest law firm, with a  
3 presence in over 80 countries, to enable us to support a very  
4 active blockchain and crypto practice for clients worldwide. I've  
5 been practicing in this space for more than seven years, and work  
6 now exclusively in blockchain and crypto.

7 We're on the cusp of what I consider to be another major  
8 digital transformation that includes blockchain digital assets as a  
9 foundational technology, along with AI, including generative AI,  
10 and for all types of content that we're starting to see, and of  
11 course, other emerging technology.

12 NFTs - nonfungible tokens - will be a part of it. I think  
13 someday very soon, we will stop calling them NFTs, and it will just  
14 be a background technology. But it's not going to have much to do  
15 about digital collectibles or art selling for millions that we have  
16 seen in the recent past.

17 It's really more about enabling immersive peer-to-peer,  
18 consumer-to-consumer, business-to-consumer, and business-to-  
19 business engagement. And naturally, when you enable that immersive  
20 experience, there's going to be a conflict between this active  
21 engagement with content and IP protection, particularly trademark  
22 and copyright.

23 We saw these same challenges in the early days of the  
24 internet, and we still have them today. Let me dispel a myth, a  
25 little bit about NFTs in the IP context. They're not very different  
26 or frankly, much more complicated, than the challenges we've seen  
27 in the past with the early days of the internet, and frankly, the  
28 internet today. It's complicated in some ways, but in many ways,  
29 it's not very complicated.

30 NFTs, if you view them as really a digital wrapper-- at a  
31 fundamental level, it's a digital wrapper for digital goods, for

1 physical goods, and/or for services. And obviously those goods,  
2 services, digital assets can be branded. You put a wrapper around  
3 anything and allow it to move freely in commerce and naturally  
4 you're going to have trademark issues like we're starting to see  
5 and of course we've seen in the past.

6 But it's important to understand we should be analyzing these  
7 issues under the same lenses we have in the past under trademark  
8 law. Is it confusingly similar? Is there a false affiliation? Is  
9 there a nominative fair use? Regardless of what kind of wrapper  
10 content or products are in, we still need to be looking through the  
11 same lenses.

12 Similar to the views that our financial regulators have in  
13 this space, who say this - the rules still apply regardless of how  
14 risk in the financial perspective is packaged. The same applies to  
15 trademarks, and we'll come back to that in just a minute.

16 So the opportunities-- this is a new way to package and track  
17 anything and everything. Tracking wallet to wallet, these digital  
18 assets, or what I'm calling the digital wrapper. It allows creators  
19 and brands to track this wrapper when it moved wallet to wallet.  
20 That includes things like provenance for products and services,  
21 where the NFT serves as a certificate of authenticity, obviously  
22 important for brand owners, and something that really we'll start  
23 to see become more common, where they're finding new ways and using  
24 digital assets and wrappers to package content, distribute, and  
25 consume content in new ways.

26 It's a way for brands to connect on chain, i.e., blockchain,  
27 and off-chain data, to bridge brick and mortar and Web2 with the  
28 Web3 and the metaverse. I think that really, if you think about how  
29 brand owners reach consumers in Web2 - through web pages, sponsored  
30 links, sponsored content - and then track through registration or

1 other means, NFTs for brand owners are a way to engage with  
2 consumers, whoever those consumers might be.

3 We're starting to see that more and more, particularly with  
4 dynamic NFTs, where an NFT is dropped, and then brand owners and  
5 product owners can drop additional benefits into that, whether it's  
6 a coupon for more products or engagement on other levels. It's  
7 really becoming the way to sort of slice and dice what is otherwise  
8 sort of a flat internet, for lack of a better way to explain it.

9 So what are the challenges? What makes sort of this digital  
10 wrapper challenging for trademark owners? Well, the challenges are  
11 many. I think it's important to understand that this digital  
12 wrapper doesn't always wrap the contents perfectly. So, for  
13 example, digital content may be saved and stored separately from  
14 the digital asset or the digital wrapper itself.

15 We have many different blockchains, i.e., like operating  
16 systems that have different standards. And even within the same  
17 blockchain, each marketplace, where we may see royalties or they  
18 may implement royalties, are implementing them in different ways as  
19 a technical matter.

20 Terms and conditions are not always clear, either on the  
21 marketplace or certainly when the NFTs are actually issued. It's  
22 not clear if there's royalties that need to be paid, who's  
23 responsible for paying them, and where they need to be paid. Again,  
24 this is a technical challenge that is important for us to  
25 understand as legal practitioners that the NFT itself is not  
26 challenging, but getting royalties, collecting royalties, as a  
27 practical matter, is.

28 Other issues, such as contract privity and enforcement issues  
29 when we have downstream NFT owners. And then of course, the right  
30 someone-- a few of you mentioned this earlier, the rights within  
31 each NFT differ. And so I think consumers and owners and entities

1 may be confused, right? Do I own the content? Do I have a license  
2 to the content? And we're a little bit all over the place in terms  
3 of how brands and content creators have issued these NFTs and what  
4 rights follow them.

5 I think what's important for practitioners and for the USPTO  
6 to consider as we go forward, going back to my opening remarks, is  
7 that we need to apply the fundamentals the same way we have in the  
8 past to these wrappers. Except the challenge really is, like in  
9 finance, it's not always easy to know what's in these wrappers.

10 So, for example, when does a class 9 downloadable image of a  
11 painting authenticated by an NFT become class 42 software? When it  
12 actually has some more dynamic and interactive qualities, or a  
13 financial service, or an interactive game? Again, a different  
14 class, a different description, or all of the above?

15 With respect to NFT marketplaces selling digital art where the  
16 NFTs may represent fractional ownerships in something, or say, for  
17 example, real estate, is that a class 35 marketplace or is that a  
18 class 36 marketplace, right?

19 So I think we need to carefully consider as practitioners and  
20 the USPTO, carefully consider things like descriptions,  
21 classifications, allegations of use in commerce, as these NFTs  
22 become more common, and indeed, and most importantly, more dynamic.

23 Because someday, as I mentioned, we are going to drop the NFT  
24 and this will be a much more full part of our technology stack and  
25 use. So let's carefully understand the tech as it evolves and  
26 practice in a way that protects and enables branded content owners  
27 without stifling innovation.

28 <ANNA MANVILLE> Thank you so much. Thank you. Our next  
29 panelist will be Kimberly Maynard from Frankfurt Kurnit Klein &  
30 Selz.



1 <KIMBERLY MAYNARD> Hello. Thank you. Good afternoon everyone.  
2 I'm a partner in the Trademark and Litigation groups at Frankfurt  
3 Kurnit Klein & Selz. I'd like to start by thanking the USPTO for  
4 convening this roundtable and by thanking my fellow panelists for  
5 their comments.

6 I work with a variety of clients from an array of industries,  
7 many of whom are brands, both big and small, that serve consumers  
8 directly through retail offerings. Our clients are incorporating  
9 NFTs into their businesses and their brand building in a variety of  
10 ways. Some sell NFTs that point to unique digital art, often to be  
11 displayed in digital wallets, to be resold, or even, as an earlier  
12 panelist mentioned, to be exploited commercially by their  
13 purchasers in brand new creative works.

14 Others are using NFTs in advertising, incorporating their  
15 brands into digital artworks for purchase or giveaway, or allowing  
16 NFTs to be exchanged for entry into private events.

17 Beyond this, brands are exploring offerings in the digital  
18 world that incorporate their current offerings in the physical  
19 world. For example, companies are organizing all kinds of clubs -  
20 book clubs, wine clubs, art clubs. They're shipping books, wines,  
21 sculptures to their members through the traditional mail, while  
22 sending NFTs that verify the authenticity of their goods and also  
23 giving club members access, through those NFTs, to exclusive events  
24 with the authors and the winemakers and the artists. Lots of  
25 exciting things happening.

26 In addition to branding NFTs with their trademarks, brands are  
27 opening digital wallets and associating them with blockchain domain  
28 names that incorporate their trademarks, associating those domain  
29 names with social media handles, and with their websites, or  
30 eventually with their websites.

1           Thereby, and by using their trademarks, they're adding a layer  
2 of trust for consumers that are sending or receiving cryptocurrency  
3 or other NFT assets to or from the brand's wallets. So because of  
4 the otherwise anonymous and unregulated nature of Web3, brands'  
5 abilities to use their trademarks and consumers' abilities to rely  
6 on those trademarks as source indicators is even more critical.

7           So it's necessary, I think we all agree, that trademark owners  
8 be able to protect and enforce their rights in Web3. And while I  
9 think trademark registrations are a crucial first step, I don't  
10 think they can be the last step. So, for example, while some NFT  
11 marketplaces are committed to prohibiting the sale of infringing  
12 NFTs on their platforms, relying on this good faith is an imperfect  
13 solution, both because there's no legal requirement that  
14 marketplaces do this and because many infringers will simply  
15 respond to takedown notices by moving their NFTs from that  
16 marketplace to a different marketplace that does not help police  
17 trademark rights.

18           Instead, as Web3 grows, we hope that the USPTO considers the  
19 need for brands to be able to responsibly police their marks and  
20 work with marketplaces to remove infringements that cause confusion  
21 to consumers.

22           Second, while Web3 has so many benefits, the anonymous nature  
23 also leaves only the largest brands with the biggest budgets the  
24 ability to enforce their rights against anonymous infringers. And  
25 even then, it's difficult.

26           Smaller brands, new companies, individuals are often forced to  
27 let infringement go unchecked, harming not only the value of their  
28 brands, but also disincentivizing investment in new brands and  
29 perhaps more importantly, putting consumers at risk.

30           So laws that allow trademark owners to identify infringers  
31 and, when necessary, take action against them, either under U.S.

1 law or under the laws of other jurisdictions - in those  
2 jurisdictions where the infringers reside - will help not only  
3 existing brands, but new entrants.

4 Now, I recognize the USPTO can't do this alone, so we hope  
5 that the USPTO will work with its counterparts worldwide, consider  
6 international treaties and other accords, and discussions around  
7 those treaties and accords, that are necessary to address  
8 infringement, especially as it occurs anonymously and across many  
9 borders.

10 Take blockchain domain names, for example. As blockchains  
11 proliferate, so will the number of name collisions among blockchain  
12 domain names. Even now, there's an infinite number of ways for a  
13 bad actor to incorporate a famous, well known, or even other brand  
14 into a blockchain domain name, creating the potential for confusion  
15 that could cause consumers to mistakenly send cryptocurrency or  
16 other NFT assets to an impostor's wallet.

17 Now, this isn't that easy now, but I think as the technology  
18 evolves, it will become easier and easier to do. We need laws or  
19 procedures, such as those already employed by WIPO for standard  
20 domain names, that will allow brands to stop nefarious uses of  
21 their trademarks in blockchain domain names.

22 Yet, as important as it is to have mechanisms by which brand  
23 owners can prevent harm to consumers, I also think it's important  
24 to have balance do that creativity can flourish and new companies  
25 can enter the marketplace.

26 We hope the USPTO encourages trademark registration, but  
27 requires that identifications be narrowly tailored to the specific  
28 goods and services offered by the registrant, allowing space for  
29 new entrants to register their own marks for their own narrowly-  
30 tailored goods and services, and that the PTO also takes care to  
31 understand the technology that underlies these products.

1 In conclusion, I agree with what many panelists have said -  
2 trademark law and policy already contemplates a lot of these and  
3 has the infrastructure for a lot of these mechanisms. It  
4 contemplates that registration should be narrowly tailored. The  
5 DMCA provides a starting place for notice-and-takedown procedures.  
6 WIPO's UDRP proceeding provides frameworks for addressing  
7 infringement through blockchain domain names.

8 So we encourage the PTO to take a good look at these  
9 guideposts and adjust them in a manner that protects consumers'  
10 interests, both in avoiding brand confusion and enjoying all of the  
11 benefits that NFTs promise. We think this is crucial to the success  
12 of Web3 and the trademark law. Thank you again to the USPTO.

13 <ANNA MANVILLE> Thank you. Thanks so much for those comments.  
14 And now we will move to Mark Jansen at Fenwick.

15 <MARK JANSEN> Thanks Anna. Thanks for having me. I'm a partner  
16 in the IP group at Fenwick and co-lead of our Blockchain &  
17 Cryptocurrency practice, and I work with some of the world's best-  
18 known tech brands on everything from brand strategy and protecting  
19 IP assets.

20 And among those clients, I'm privileged to represent the  
21 "who's who" of NFT collections and marketplaces. Of course, the  
22 views and opinions that I'm about to express here are my own and  
23 don't necessarily reflect the views or positions of those entities  
24 I represent. Just wanted to sidebar to that.

25 Just wanted to quickly clear up a comment made earlier and  
26 note that the Bored Apes don't actually freely give away their  
27 trademark rights and this is not a function of their license. Just  
28 to set the record straight.

29 But as others have discussed here today, there are a lot of  
30 novel questions because the road map has changed. It's changed

1 dramatically. The legal landscape we once knew in Web 1.0 and 2.0  
2 just aren't applicable in this context.

3 I see a lot of questions about the transfer of rights and  
4 issues triggered by anonymity and whether the holder has a legal  
5 right to sell their NFTs and how to navigate international IP laws.  
6 And these issues are compounded by the decentralized narrative that  
7 underlies Web3. There's no central authority ensuring that the rule  
8 of law is deployed consistently and continuously, and  
9 accountability often falls to the user base.

10 And there's sort of this ethos in Web3 around keeping the  
11 community happy and doing that by keeping things open source, and  
12 in some cases, even building on what others have done without a  
13 license or without written authorization to do so. There's this  
14 general unwillingness to police aggressively.

15 And so there's a big question mark around how you fix that.  
16 What is the future of enforcement going to look like? There's  
17 already this disconnect between traditional brand owners who are  
18 keen on protecting the scope of their rights, and those in Web3 who  
19 don't see that as jiving with the goals of blockchain and the Web3  
20 landscape.

21 But from an IP perspective, much of what is being built today  
22 relies on brand identity to help distinguish it from the  
23 competition. And more than ever, it's really critical to have kind  
24 of a strong, unique brand you can rely on to give consumers  
25 confidence and to have a cudgel for use in stamping out truly bad  
26 faith, unauthorized use cases.

27 We see a lot of use of copyright in this space, but copyright  
28 is really complex and the bounds of fair use and the scope of the  
29 DMCA are being tested as we speak. It's a useful tool as the space  
30 evolves, but I think we're likely to see a broader appreciation

1 for, an emphasis on brand rights, and a more proactive focus on  
2 maintaining those exclusive rights.

3 To that end, I think some guidance on the scope and the limits  
4 of trademark rights for really benefit brand owners and accused  
5 infringers and platforms alike. So the place to start is whether  
6 protection for physical products extends to the virtual good  
7 counterparts, which I know is an issue that's come up multiple  
8 times today. Basically, can an IP owner stretch their existing  
9 trademark rights to cover electronic or virtual products, for  
10 instance, NFTs?

11 As several folks have already previewed, there's quite a bit  
12 of disagreement on this point. And the surge and trend in major  
13 companies refiling applications for their marks for virtual goods  
14 and services suggests that brand owners think the answer is no,  
15 that protection does not extend to virtual goods. And this is also  
16 likely a function of brands diving into Web3 and looking to protect  
17 themselves and create defensive perimeters. But not every brand  
18 owner has the budget or the requisite intent to use to file in all  
19 these new verticals.

20 And the outcome of some of the recent cases that are  
21 percolating, like the Hermes challenge to Rothschild's MetaBirkin,  
22 will likely inform some of the strategy going forward. But a  
23 possible stopgap measure that the Trademark Office might consider  
24 implementing is a fresh version of its Technology Evolution Pilot  
25 Program that allows brand owners to amend the goods and services  
26 identified in their registrations. So you'll recall that this  
27 program allowed brand owners who were providing the same  
28 fundamental goods and services through an updated means, method or  
29 format to basically update their descriptions to cover these  
30 evolved goods and services. So if you're making printed children's  
31 books, you were all of a sudden eligible to amend to downloadable

1 electronic children's books if you no longer provided them in that  
2 printed format.

3 Well, to the extent parties seek to enforce these rights,  
4 they're still going to have to deal with the checkered landscape,  
5 right? We're not solving for that. There's always going to be some  
6 fact-based evaluation of the scope of the rights and likelihood of  
7 expansion by the brand owner and commercial relatedness between the  
8 real and the virtual goods. But this is an opportunity to update  
9 those registrations, especially for those who are adopting new  
10 technology, and it might help brand owners with the current  
11 uncertainties they face and give some long-term direction in terms  
12 of filing strategy.

13 Of course, with this kind of a pilot, the Trademark Office may  
14 also need to consider what kinds of specimens are appropriate to  
15 prove use. There's little precedent in the space and the existing  
16 examples presented that the—the Trademark Office put on a  
17 presentation on registering trademarks for newer technologies last  
18 month, and those examples were great and helpful, but they only  
19 give direction on super straightforward use cases: an NFT is  
20 offered for sale in a marketplace where there's a buy here button.  
21 Unfortunately, that kind of evidence isn't always available.

22 For instance, marketplaces look different across different  
23 chains. What if the NFT isn't available on a traditional  
24 marketplace or a marketplace at all, right? Like Jackie from Asics  
25 had mentioned, it's a fashion brand using it to illustrate  
26 provenance. So we need some further guidance on non-traditional  
27 specimens, and I think that would go a long way in giving brand  
28 owners peace of mind that they have the requisite use.

29 But in that same vein, we should also be considering class  
30 coverage, and this is an issue that's come up a lot. In the  
31 interest of time, I'll sort of shortcut this. Nine and 35 are core,

1 everyone's focusing on those. There are some big question marks  
2 around what we should do in 36 and 42 as alternative vehicles for  
3 these service offerings. We're seeing language being stricken from  
4 the ID Manual, things like issuance of tokens, and being replaced  
5 by archaic terms, like prepaid vouchers and gift cards. And so  
6 we're likely to see an uptick in programs like the Consistency  
7 Initiative and others used to harmonize this language. So getting  
8 ahead of it with additional direction and clarity on appropriate  
9 scope is likely to be invaluable going forward. Thanks again for  
10 having me.

11 <ANNA MANVILLE> Thank you. Again, if we have time at the end,  
12 people can provide a few additional comments and then also, please  
13 consider filing written comments. All right, so next we have Eliana  
14 Torres. And you are with Nixon Peabody, right?

15 <ELIANA TORRES> Yes, I am. And I'm going to share some slides.  
16 Hopefully you guys can see them. Okay. So hi everyone. My name is  
17 Eliana Torres. I am an IP associate at Nixon Peabody. I am also  
18 part of the Metaverse and IP team, and I'm just happy to be here.  
19 I'm also proud to say that I was a trademark examiner for six years  
20 at the USPTO. So really excited to be here, to come back and talk  
21 about this topic, that is something I'm very passionate about.

22 So I'll start with the first thing, the first point that I  
23 wanted to make. So, that's one of the NFTs I do own. That's the  
24 image of it. I wanted to highlight the importance of trademarks,  
25 some legal challenges, and some technological challenges.

26 I'll start with the importance of trademarks. We've seen the  
27 uptick of trademark registrations, the majority of the trademarks  
28 or the top-ranking search words that have been noted by this  
29 website, highlight that NFT and blockchain digital as it has been  
30 rising, and the number of trademarks can highlight that and show  
31 that as well.



1           The importance of trademarks in the NFT space is mostly, as we  
2 know, to protect consumers from confusion as to the source of the  
3 NFTs, to protect the brands that are issuing these NFTs as they  
4 develop and the technology evolves and they develop their projects,  
5 and then to protect the existing brands with protectable works.

6           So we have some registrations that, I just want to show some  
7 examples of what we have in the Register, or they have not  
8 registered yet, but prior pending applications that are waiting to  
9 be examined.

10          Then we go into the infringement. Most of the issues that I've  
11 seen around NFTs are all trademark related. And this all starts in  
12 November 12, 2021. And this may not be an exhaustive list, just the  
13 major ones that I've noted, but we start with Playboy, also related  
14 to trademark use in a domain name.

15          Then we go to November 2021, January 14, and up to the most  
16 recent one, which is Yuga Labs. And I'm going really fast because I  
17 know we have a limited time. But the most recent one, which is Yuga  
18 Labs that is suing Ryder Ripps over the trademark infringement.

19          So these are all trademark related, and it's important for us  
20 to see kind of the legal landscape. None of these have any  
21 copyright infringement, which is one of the interesting parts. So I  
22 do like that the focus is on trademarks because it kind of  
23 highlights the importance of trademarks and NFTs.

24          Some of the legal challenges that I've noted-- this is from  
25 the presentation that the USPTO did a few weeks back, or a few  
26 months back. And, I don't know if I agree or disagree with class 9  
27 being the correct classification for the goods and services. I say  
28 that because when you have an NFT, you have the buy it button, and  
29 that was shown as an example of a specimen that will be accepted.  
30 But the buy it button only takes the token into your wallet.  
31 There's not really anything that gets downloaded, and as we all

1 know, the TMEP requires that you show that something could be  
2 downloadable for you to have a proper specimen in class 9. But the  
3 image itself is no different than you going to a website, a stock  
4 image website, and buying the image itself and downloading it with  
5 right click and save.

6 The same concept happens with the NFTs. You're buying the NFT,  
7 you get the certificate of authentication for that image or  
8 whatever is hosted on a separate third-party website or URL or URI.  
9 And that is a problem because this seems to be more of a non-  
10 downloadable image, which was alluded to earlier by, Professor  
11 Steiner I believe, and I do agree with that. I think this is more  
12 of a non-downloadable image that you could potentially download,  
13 but it essentially lives in a third-party website and I explain  
14 that in the next slide.

15 This is how the NFT works - which you have the token, you have  
16 the URI, which is essentially the URL with the image is hosted or  
17 stored, and that is going back to the previous slide. That is the  
18 issue that I have with downloadable image files being that you're  
19 not really downloading anything. It is still hosted in a third-  
20 party site.

21 And when consumers purchase these NFTs, they're not purchasing  
22 the actual-- they purchase a token, but they also purchase the  
23 associated, whatever it is that they're buying, the NFT associated  
24 to the art or the video or the music. And that is what they're  
25 buying. They're not buying the actual certificate itself. So that's  
26 why I take issue with class 9 and I think that maybe a proper  
27 classification may be 42 or 45, which was also brought up earlier.  
28 Similar to kind of photography and stock image photos where you go  
29 into a website and you purchase a photo, you're essentially buying  
30 it from a service, someone who's providing the series of

1 photographs, and you download them for each one of them that you're  
2 interested in.

3 Similarly, you go into an NFT marketplace and you get the NFT  
4 that you want, but you're not really downloading that NFT. You're  
5 kind of downloading the token to your wallet-- or not even  
6 download, but transferring that to your wallet. Then you could  
7 potentially download the image, which is the same way that you  
8 could right click and save from any website. So that is my main  
9 issue with class 9.

10 And then class 25 and the rest of the classes where you could  
11 identify sneakers or clothing and then authenticate it by  
12 nonfungible tokens. I don't really know how a consumer could show  
13 use of it in those classes, because if they're issuing an NFT,  
14 they're issuing the NFT and then they will have to show the actual  
15 shoes. But how would they show that they're associated to the NFT  
16 unless they show two separate things, the shoe itself and how it's  
17 being certified or authenticated by the NFT. So if they were to  
18 submit a picture of the shoe itself, that wouldn't really show how  
19 it is tied to an NFT, and vice versa. If they show a picture of an  
20 NFT, how would they show that this is actually a sneaker that's  
21 authenticated by an NFT?

22 So those are my major issues with the classification, and this  
23 is how I see it. I see it more of a--it's not as hosted in a non-  
24 downloadable way. Then more of the technological challenges - and I  
25 have limited time, so I'm going really fast - but we could have  
26 locked metadata, which means that they could always alter where the  
27 hosted image is, and that will help with the enforcement side. So  
28 encouraging having unlocked metadata for NFT issuers, because that  
29 URI could be replaced in case of infringement, and that could be  
30 part of the education that the USPTO could continue conducting. I  
31 know they're not in the informant side and more in the prosecution,

1 but educating the public will also be helpful. So, with that said,  
2 thank you, and I yield the rest of my time.

3 <ANNA MANVILLE> Thank you. Thanks very much. Next speaker is  
4 Addam Kaufman from Oracle.

5 <ADDAM KAUFMAN> Thank you. I'm a trademark and copyright  
6 attorney at Oracle, where I lead on blockchain technology and our  
7 domain name portfolio.

8 I want to talk a bit about NFTs in relation to IP use and IP  
9 enforcement. My focus is policy considerations on how to best  
10 protect our U.S. consumers.

11 NFTs are merely instruments to attach digital tokens to goods,  
12 as a lot of people have been talking about. They mostly present  
13 challenges in the goods that they're attached to, whether it's  
14 copyrighted materials, trademarked goods.

15 NFTs have enabled companies to offer semi-exclusive assets  
16 with chain-of-title tracking, which is good. In the news we've seen  
17 organizations deliver NFT "products" featuring their own  
18 copyrighted assets and allowing their customers to hold intangible  
19 assets in sort of a semi-exclusive manner and easily demonstrate to  
20 others a license for them to display those copyrighted works.  
21 That's good, but not all attached goods have been authorized by the  
22 IP owners.

23 Some cases have been mentioned covering disputes about IP  
24 owners, copyright owners, trademark owners, and other third parties  
25 who have been attaching or relating their NFTs to their goods.  
26 We'll see how some of those cases come out. But I think we need to  
27 consider how those infringing uses affect consumers who may be  
28 confused about the owner or source of these NFT products or the  
29 NFTs that are attached to other products.

30 One specific example I want to talk about today is Web 3.0  
31 domains. I think it was already mentioned that the sunrise of Web3

1 domains has created a new era of cybersquatting. While I know that  
2 we've learned lessons from the last era of cybersquatting, I want  
3 to explore the functionality of NFTs that present some unique  
4 challenges that we need to consider.

5 I work on IP enforcement myself, particularly on the internet,  
6 and NFTs have already started to exacerbate the already difficult  
7 situation that we have with IP enforcement on the internet, where,  
8 frankly, it could be a game of whack-a-mole.

9 NFTs are anonymous and decentralized. They can be attached to  
10 content, they can act as an address to reach that content, they can  
11 be labeled with a third party's trademark, they can be attached to  
12 others' copyrighted content. Individual NFTs can be issued by a  
13 vendor, and they can run on the blockchain with little recourse to  
14 track that actual owner and halt any down the road infringing uses.

15 Of course, we have to balance everyone's rights. But just with  
16 the internet we've had to figure out how to stop bad actors who  
17 have been hiding behind anonymous internet accounts. We've had to  
18 work with other jurisdictions outside the U.S. on laws that are  
19 sometimes inconsistent with our laws, and in some situations,  
20 provide incentives for service providers to allow bad actors to  
21 continue to infringe uses. These are hurting consumers with  
22 phishing schemes, malware, counterfeit goods, the list goes on.

23 IP enforcement against NFT infringements is seeing the same  
24 issues with vendors releasing NFT products without any reasonable  
25 measures to combat down the road infringement. U.S. laws such as 47  
26 USC Section 230 shield internet service providers from liability  
27 for user behavior when those service providers provide certain  
28 mechanisms. However, NFT vendors seem to be relying on that  
29 argument without providing adequate IP mechanisms, and I think we  
30 need to provide incentive for them to provide these mechanisms and  
31 hopefully to have some sort of bargain and consideration of all the

1 balancing rights. Unlike domain names, NFTs have no central parties  
2 running the backbone that can implement rapid disablement processes  
3 nor even adequately track bad actors for a court action.

4 So these are some issues we're seeing. Trademark and copyright  
5 enforcements are starting to encounter walls in approaching NFT  
6 infringements, and we need tools like Section 230 that balance the  
7 considerations while incentivizing NFT vendors to implement IP  
8 protection mechanisms that are fundamentally absent from the  
9 technology itself.

10 I think something was mentioned in the last about metadata,  
11 permanent metadata. I think that's a good avenue, but I want to  
12 encourage our government to cooperate among nations, international  
13 organizations, and large vendors to incentivize and come up with  
14 solutions for vendors to provide IP mechanisms and help protect  
15 consumers from these bad actors that phishing, malware,  
16 counterfeits, etc. Thank you for having me.

17 <ANNA MANVILLE> Thank you. And we'll move on to our next  
18 speaker, who is Giulia Maienza from Herbert Smith Freehills.

19 <GIULIA MAIENZA> Thank you, Anna. Good afternoon everyone.  
20 And, of course, thanks a lot to the USPTO for hosting this panel  
21 and for this opportunity to discuss such interesting issue related  
22 to the relationship between trademarks and NFTs.

23 I'm Giulia Maienza, and I am an IP attorney at Herbert Smith  
24 Freehills, and today I would like to focus and give you a brief  
25 description of our experience in assisting some of our clients in  
26 seeking protection for assets associated with NFTs in the UK and in  
27 Europe.

28 As an example, our firm has experience assisting clients in  
29 the food and drink sector, in minting nonfungible tokens over  
30 alcoholic products and trading them through blockchain platforms.  
31 So thanks to this possibility of linking NFT to goods, clients have

1 been able to expand, of course they're offering at a global level,  
2 in the crypto asset market, to strengthen their brand identity and  
3 also to reach a new type of public.

4 So in this specific case in which we assisted companies, the  
5 minting of NFTs was related to redeemable products, and as I  
6 mentioned, for example, to prestigious wine and spirits, and with  
7 different key advantages for the marketing of these products. The  
8 creation of NFTs and their circulation on blockchain platforms  
9 facilitated, for example, to guarantee safety and to show  
10 authenticity, integrity, and traceability of the products and all  
11 the related documents. And just to mention, also allowed to, for  
12 example, to store the bottles in the company's safe storage,  
13 avoiding the risk of detriment to the products for external  
14 conditions or different high number of advantages. This experience  
15 has shown how NFT could be used as an effective measure, also to  
16 tackle counterfeiting.

17 In addition to this, of course, as it is the topic of this  
18 panel, NFTs were linked to images depicting the trademark owned by  
19 the company and these pose the issue that we have already hear  
20 about in all this roundtable thanks to the other panelists, related  
21 to filing of trademark in the relevant Nice classes.

22 Of course, this assistance was provided some months ago, so  
23 now the situation will probably change. As we already mentioned  
24 that the Nice classification will include this new definition of  
25 downloadable digital files authenticated by NFT in class nine.

26 But coming back to the kind of experience that we have, in  
27 addition to NFTs related to redeemable, real physical products, we  
28 have also assisted clients in relation to the minting of NFTs,  
29 which represented the experience designed for enhancing public  
30 engagement, and/or which are related to digital art realized by  
31 crypto artists.

1           So in this case, what was requested, and our experience was  
2 more related to, drafting the terms governed in the NFT and  
3 especially their incorporation directly into the NFT's metadata.  
4 These terms of course included also specific clauses related to  
5 license over the copyright and license over trademarks in relation  
6 to the underlying assets. This could certainly show how it's  
7 crucial for IP experts to be involved in drafting directly terms  
8 governing the NFT, which are included in smart contracts, because  
9 they could provide specific rules and try to mitigate the risk of  
10 IP rights infringement.

11           As the last remark I wanted to make is that, of course, the  
12 same natural smart contracts which restrict the possibility of  
13 simply amending the terms, render always more crucial to accurately  
14 regulate any key aspects and to set out specifically as regards IP  
15 rights, any specific kind of restriction or right in case of  
16 transfer. And in case, of course this NFT will circulate in the  
17 blockchain. So thanks. That was all for me, and thanks again.

18           <ANNA MANVILLE> Thank you. Thanks very much for that  
19 perspective, and we're doing pretty well on time. Thank you to all  
20 of those folks who are keeping us on track. And our next speaker  
21 will be Justin Pierce from Venable.

22           <JUSTIN PIERCE> All right. Hello and good afternoon. Thank you  
23 for having me. This has been a great session this afternoon, or  
24 day, depending on where in the world you are at. There's been a lot  
25 of great speakers and great insights and intelligence shared with  
26 all.

27           I am the co-chair, one of the chairs, of the Intellectual  
28 Property practice at the Venable law firm. I'm based here in  
29 Washington, D.C. We represent a number of clients, from large to  
30 small, and in that I think I'll use that to start the comments.



1 I do have some concerns, and a lot of people have cut into a  
2 lot of what I would like to say, and it's a good thing. I do want  
3 to start with this point, though, that when you do represent  
4 clients large and small, many small clients disproportionately feel  
5 the impact of brand enforcement.

6 If you're a small and innovative company and facing the  
7 challenge of having to enforce counterfeit or infringing NFTs,  
8 think about that tax on your resources as compared to what a large,  
9 sophisticated company who's got access to investigators, outside,  
10 in-house attorneys. And just think about the difference in sort of  
11 the state of play.

12 What role does the USPTO have in that? It has a role in the  
13 sense that it always has for its registry, that it provides notice  
14 to the public. It provides notice through registry, whether it's  
15 trademarks or patents. But in the trademark space, it allows  
16 people, again, whether it's an individual business or a large  
17 company, to get a sense of the risk, to get a sense of the  
18 landscape, to be informed about the IP rights associated, for  
19 instance, with a particular brand.

20 That in many ways doesn't exist in the world of NFTs. And I  
21 think the one area where the USPTO, particularly the Trademark  
22 Office, can help use its influence and study with that is to really  
23 push the ideal, much of the same solution that it solves by  
24 providing an open and worldwide accessible, obviously, probably one  
25 of the most popular IP registries globally, is trying to get others  
26 to do the same.

27 Obviously outside of the government, private industry has a  
28 different view of this, but we cannot thrive really when it comes  
29 to Web 3.0 or NFT world unless there is a little bit more  
30 uniformity and standards in terms of things like identity.

1 Identity is huge when it comes to enforcement. We've talked--  
2 a number of us here, different experts from different firms and  
3 industry, about how tough it is to do enforcement if you don't have  
4 access to identity, or at least an idea of the identity of those  
5 who are behind the infringement.

6 With that type of situation, things like decentralized domains  
7 and NFTs that are being used for infringing purposes pose a huge  
8 obstacle to actually free and open commerce and innovation in this  
9 particular space.

10 I think the concerns that obviously generated what we have in  
11 the Web3 world where we focus on privacy, sometimes privacy to the  
12 detriment of other entities' IP rights. It's a tension that's  
13 naturally there, and it's one that I think more investigation has  
14 to be done at.

15 In order to get to the level of knowledge that might be  
16 helpful, you always have to sort of play with the new technology or  
17 tool that you're using. I'd like to see the USPTO, even through its  
18 technology pilot program - that was something that was brought up  
19 before - perhaps even experiment with using NFTs to represent IP  
20 rights and see how that works. Maybe not in a way that would have  
21 binding rights on anyone, but a way where we could experiment what  
22 would happen if, for instance, an IP right that has a registration  
23 is viewed itself as an NFT, or even a recordation, recording a  
24 license or an assignment or a transfer of that right.

25 Next, in terms of a practical thing that I think will be very  
26 useful in the spirit of talking about companies large and small,  
27 something that's super helpful and that many of us have used are  
28 the guides and manuals that are publicly available on the USPTO  
29 website. A guide or manual on NFT and blockchain-related marks  
30 might be something that would be quite useful as we are still  
31 finding our way in this new world of Web 3.0.

1           Last, I'll talk about this, I think there needs to be more  
2 analysis and adaption in terms of the impact of NFTs on the  
3 interrelatedness between goods and services. A couple of examples,  
4 a few good ones, have been brought up already. Certainly, I thought  
5 it was quite visual, and I think many of you have experienced sort  
6 of the confusion that could happen between classes 9 and 25 when  
7 you talk about downloadable goods and clothing, particularly with  
8 the new technology around wearables. I recently have seen, on  
9 behalf of some clients, same questions and considerations even  
10 asked between digital goods that are in class 9 and, believe it or  
11 not, items that might fall into class 5 or 10 with respect to  
12 digitally-enabled ways to provide therapeutic benefits to patients  
13 or to various people using immersive technologies.

14           Those are the kind of things that are definitely going to be  
15 in the world of our future, and definitely the kind of things that  
16 I think all of us would like the USPTO Trademark Office to  
17 investigate and analyze further.

18           And with that, I'll conclude my remarks and yield the rest of  
19 my time back.

20           <ANNA MANVILLE> Thank you. Thanks very much. Well, we have one  
21 more speaker. And so we're going to circle back now to Peter  
22 Jackson from Greenberg, is it Glusker LLP?

23           <PETER JACKSON> Yes, that's correct. And I hope my video is  
24 on.

25           I guess I just want to reiterate some of the points that were  
26 made earlier around the need for more depth and clarification, I  
27 think, to the examiners around how to analyze the channels of trade  
28 that NFTs are used in when registered in a variety of classes.

29           I know there's been a lot of discussion around those things  
30 before, and I don't want to belabor this discussion and questions  
31 that people may have further, but I think that we've seen a pretty

1 inconsistent application in examination standards to date, not  
2 against my clients, but against the marks that we've had to watch.  
3 And so I think that the entire examination pool could use more  
4 clarity around the ways that NFTs should be analyzed from a  
5 confusion and registrability perspective.

6         Additionally, some of the technical solutions that were  
7 discussed earlier, including the pilot program, perhaps putting  
8 some of these assets and recordations on the blockchain, perhaps as  
9 an experimental feature, would be a forward-thinking approach that  
10 could lead us towards a future where there is more insight  
11 available to the public in general about the nature of trademark  
12 rights on a national or international basis, including with respect  
13 to smaller entities that may lack the sophistication, resources to  
14 determine what rights are out there.

15         And then, finally, I think that a lot of people have brought  
16 up sort of an inherent tension in some Web3 projects, which are the  
17 majority of the clients I represent in the trademark space, between  
18 the copyright or variations of copyright rights that may be given  
19 to owners of NFTs, vis-à-vis what is retained by the collection  
20 itself. And trademarks are all the more important because of the  
21 fact that certain license rights are given to holders of  
22 communities' tokens by virtue of minting them. The brand still has  
23 an interest in protecting itself and the community from  
24 infringement and trademark rights are all the more important for  
25 that reason.

26         And with that, I'm just going to yield the rest of my time  
27 back and thank everyone else for their participation today. It's  
28 been very insightful to watch along while I inadvertently joined as  
29 an attendee rather than a panelist earlier. Thank you.

30         <ANNA MANVILLE> Thank you. I'm glad we were able get you to  
31 speak. Thanks to everyone. All of the information that you've

1 provided has been enormously valuable and helpful and will  
2 definitely be considered as we work through this study. So we are  
3 ahead of schedule and if the panelists would like to speak for an  
4 additional minute or so on, make any additional points, or raise  
5 any additional issues, I think we could do that.

6 And what I would ask is for people to turn on their camera and  
7 then I will try to recognize people in the order in which I see  
8 them, if that's something that the panelists are interested in.

9 Or if not, I do have one question that I'm wondering if any of  
10 the panelists want to follow up on. I know some folks have  
11 described or given definitions of NFTs in their comments, but I  
12 think it's helpful if any others want to chime in, because we  
13 consistently see people talk about NFTs in different ways, and so  
14 if anyone wants to expound on their understanding of the definition  
15 of an NFT, NFT as a good in trade or an NFT as an authentication  
16 mechanism, what are people's understandings? Any clarification on  
17 that point I think would be helpful. Or anything else you want to  
18 speak about. So I saw Jessica first, so if you have a few comments,  
19 let me know.

20 <JESSICA NEER MCDONALD> Sure. Thank you. I did just want to  
21 mention going to the decentralized domain names, I think it's worth  
22 mentioning that some, not all, are created equal and some have  
23 reserved especially big brand names. So I don't think quite all may  
24 be lost if you're just thinking - oh, it's got to be taken, it's  
25 not worth exploring - not just from that standpoint but also there  
26 is a wallet address that you can look towards contacting instead of  
27 perhaps needing to subpoena a registrar because you can't get any  
28 WHOIS information or anything like that. So I do think that there  
29 is some potential there for brands to secure decentralized domain  
30 names if they are interested. There's also things like ENS Fairy  
31 which is specific to the Ethereum Name Service, where people have

1 reserved certain names for certain brands so that they can go and  
2 pick it up for free. So there are other avenues there. There's also  
3 the ability through that protocol to import your DNS to your  
4 brand.com, you can actually use that as a decentralized identity,  
5 which I think is definitely really interesting and helps avoid some  
6 of potential name collision issues. Thank you.

7 <ANNA MANVILLE> Okay, thanks for that. I think, let's see, I  
8 saw Joe Guagliardo next, if you'd like to add a few comments.

9 <JOE GUAGLIARDO> Yeah, sure. Thank you. Going back to my  
10 original comments about sort of this digital wrapper, I think  
11 understanding sort of the fundamentals of what's going on with this  
12 technology, and really to simplify it in a very basic way is really  
13 it's the blockchain is a read-only database in the simplest terms,  
14 right? And so this NFT, and frankly, fungible tokens, really are  
15 just a digital asset really, that's written to a read-only  
16 database, right? And so at a basic level, it's a piece of  
17 technology that, again, we're putting a wrapper around.

18 And you can do a lot of different things with that wrapper.  
19 And I think the understanding is, we'll eventually - to my point  
20 earlier - we're going to drop the NFT and really be dealing with  
21 the digital asset that is personal to the individual who holds that  
22 asset in their wallet.

23 And so I think if you start to think about it that way--  
24 again, being able to package an NFT, or anything in this digital  
25 asset, sort of helps us understand that really, this is just  
26 another way to illustrate brands, propose brands, propose content,  
27 make it available to people just like we do every day in the  
28 Internet and Web 2.0. We're just now able to break it up into  
29 pieces and engage with individuals who control that wallet,  
30 individuals and/or entities.

1           And I think really, that's fundamentally what we're talking  
2 about here. And I think if we start to understand it in that way  
3 and break it down, then we can sort of really look at these legal  
4 issues around trademark and copyright, in particular, through the  
5 lens of the way we're typically looking at it.

6           And I think someone made the point earlier about it's very  
7 important for practitioners and the government to really start to  
8 use terms that make more sense for this space. I think referring to  
9 an NFT as a gift card or something like that is not right. It may  
10 be right in certain contexts, but I think to generalize and try to  
11 put a digital wrapper into a bucket of something that we've known  
12 in the past is really not a healthy way to be thinking about these  
13 things.

14           <ANNA MANVILLE> Okay, great. Thank you for that clarification.  
15 And Eliana Torres, I think I saw you next.

16           <ELIANA TORRES> I think just to my last point, I agree with  
17 all the stuff that has been said already. I think it's important  
18 for us to keep educating each other and not just as practitioners,  
19 but educating the public about the consumer side, so whether  
20 they're purchasing the NFTs, I think the biggest issue I've seen is  
21 the website that replicate other websites that are illegitimate. So  
22 I think exploring, for the USPTO, exploring ways in how to work  
23 with the website to certify that the trademarks being used on that  
24 specific website are from the correct source. So whether that's a  
25 digital certificate that could be double checked. So kind of like  
26 Twitter has a blue check, having, like, a blue check on the website  
27 so that consumers can verify, okay, this is a trademark or that  
28 that's actually legitimate and this person has the right to have  
29 that blue check so that I could actually certify that I could mint  
30 from this site or I could buy from this site because it's secure  
31 and it has been double checked and it has been certified by the

1 USPTO. So some sort of certification with the trademark and maybe  
2 opening the API so that the Trademark Office can work directly with  
3 their websites, and they can verify the ownership once the register  
4 kind of has that website in that domain. And they could kind of  
5 work hand in hand as to that certification being automatic using  
6 some sort of AI system.

7 <ANNA MANVILLE> Okay, great, thank you. Moish, do you want to  
8 add a few comments?

9 <MOISH PELTZ> Yeah, thank you, Anna. To answer your question  
10 about what an NFT is, I think we could all probably come up with  
11 different answers. And Joe, I thought Joe's comments were  
12 excellent. And I think this notion that an NFT, at least on a  
13 Ethereum, has been described as-- there are different standards,  
14 right? They're programmable virtual properties. And so you have  
15 things like ERC-721 standard, which describes certain  
16 characteristics or functions of one type of NFTs on one blockchain.  
17 And even on Ethereum, there's now multiple standards. There's the  
18 1155 standard, which talks about, thinking about, both fungible and  
19 non-fungible and then semi-fungible tokens. So it's all very fluid,  
20 and because it's open source and programmable and very dynamic,  
21 these standards certainly will change going forward, and there will  
22 be additional use cases that we have not contemplated.

23 And so that's where it gets frustrating when you start  
24 thinking about, how do I describe a goods and services description  
25 for that? And it's being shoehorned into something that may fit one  
26 slice of what an NFT is, but it's prohibitive, perhaps, of a  
27 broader function as it exists today and much more so as it may  
28 exist going forward.

29 And so that's kind of the idea of staying flexible, and  
30 hopefully by participating in it. I'll echo that on what Eliana  
31 said, I would love to see this idea that the USPTO has an API which



1 authenticates a trademark, and then if you're a user on Twitter,  
2 you can say-- or on OpenSea that this NFT is validated by the USPTO  
3 to this trademark, and a green checkmark. Love that notion and  
4 would love to see the USPTO experiment. Thank you.

5 <ANNA MANVILLE> Great. Thank you. Addam, I think you were  
6 next. Addam Kaufman?

7 <ADDAM KAUFMAN> Yes. I want to kind of cover the same topic  
8 about identification for NFTs in trademarks and in trademark  
9 rights. And I think that we need to differentiate between the  
10 actual blockchain NFT technology and the services running on top of  
11 the NFT. So the service, someone may have a product that might be  
12 an NFT or a blockchain that is basically just a database -I think  
13 it was referred to earlier as, like, a digital wrapper - and that  
14 is one aspect of what they're putting forward. But there may be  
15 other services running on top of that - authentication for  
16 collectibles or for other avenues that they're going for something,  
17 some kind of service that they're providing. And so there may be  
18 those two differentiating services, and a product that they're  
19 putting forward. And so I think in terms of classification, we need  
20 to look deep into what they're actually offering and not just  
21 classify it as an NFT in one category of a product.

22 And I agree also with Joe's comment earlier that we need to  
23 kind of come up with the right terminology for that when we use  
24 terms I think he said, like a digital gift card or things like  
25 that, that's confusing, conflating the two things that we're  
26 talking about when there is a blockchain NFT product on top of some  
27 other service that they're providing.

28 <ANNA MANVILLE> Right. Okay, great, thanks. Natalia.

29 <NATALIA ARANOVICH> Thank you. Can you hear me?

30 <ANNA MANVILLE> Yes.

1 <NATALIA ARANOVICH> So I agree with everyone here talking, and  
2 I think we need to differentiate, because one thing is the NFTs,  
3 the technology, what the technology can be used for. The other  
4 thing is the digital asset. And I didn't realize that it's sold  
5 through the NFTs. So I didn't realize until I prepared this  
6 presentation the importance of the trademarks for the NFT works,  
7 because a lot of works, digital works, that are being sold through  
8 NFTs are called digital art.

9 But a lot of those digital arts are-- I'm going to say they  
10 are produced through artificial intelligence, so they cannot be  
11 considered real art and cannot be copyrighted. So maybe those  
12 digital works, they're going to become brands, like we saw from the  
13 Bored Ape Yacht Club.

14 And I think that's very interesting to see how that's going to  
15 develop. So I think that's the important thing. We need to  
16 understand what we are selling, what we're buying through an NFT,  
17 and that's the digital asset and the other thing is to acknowledge  
18 the NFT and what can we use for. So that's it. Thank you.

19 <ANNA MANVILLE> Thank you. And I think our last speaker then  
20 will be Peter Jackson.

21 <PETER JACKSON> Sure. I'll just add one note. I think that Joe  
22 is completely correct on the technical side of this. And it's when  
23 we've trademarked - or we've attempted to trademark various  
24 registrations for on behalf of clients in the Web3 space - there's  
25 always a question of what classes you should go into. And really  
26 there's quite there's quite a few that are potentially applicable.

27 And I think that it's important not to cabin the discussion to  
28 one or another or some group because it really may differ depending  
29 on the nature of what is being provided or whether it's goods or  
30 services. In some cases, it's both. And I think that to take it a  
31 step broader beyond sort of the technical definition into the

1 common parlance, I think it's important to remember that these are  
2 truly brand identifiers for people.

3         And I will just cite Eliana's presentation. On her, I think  
4 first slide, when she was discussing the NFT she holds - it was a  
5 Cool Cat. And from the perspective of people that are - if you can  
6 believe it - younger than me, in Gen Z and the generations that are  
7 quite young, this is today's brand identifier in many cases.  
8 Association between oneself and one's digital identity. And some of  
9 these brand identifiers like Cool Cats are just enormously  
10 important. And because of the fact that they are minted and  
11 variations that are often quite similar to each other, it's  
12 important for the community to be able to have some ability to fend  
13 off sort of counterfeited or illegitimate versions of the  
14 collection because that defrays the ability to identify oneself as  
15 an early adopter or a true member of a participatory environment in  
16 which things are being created that may change over time.

17         <ANNA MANVILLE> Great, thank you. Well, enormous thanks to  
18 everyone on the panel this afternoon and throughout the day, all of  
19 the panelists. We've learned a lot, we have a lot of issues to  
20 explore. And again, I just want to encourage those folks who want  
21 to provide written comments to submit them by the February 3  
22 deadline.

23         And now our roundtable is adjourned. Thank you all very much.