

[DRAFT] BLOCKCHAIN GOVERNANCE INITIATIVE NETWORK INTELLECTUAL PROPERTY RIGHTS POLICY

This Blockchain Governance Initiative Network (“BGIN”) Intellectual Property Rights Policy (“Policy”) defines the intellectual property rights and obligations of Contributors (as defined below) and certain procedures relating to Contributions (as defined below) proposed to BGIN for the creation of Work Product and the generation of Implementers Drafts and Final Work Product, pursuant to the applicable BGIN Process (all as defined below).

1. **Definitions.** Each of the following initially capitalized terms has the respective meaning stated below. All other initially capitalized terms have the meanings assigned in this BGIN’s IPR Policy (“IPR Policy”) or in the BGIN Process Document (“Processes”).

1.1 “Compliant Portions” means those specific portions of a product (hardware, software, or combinations thereof) or service only to the extent that they implement and are compliant with all relevant portions of a particular Implementers Draft or Final Work Product.

1.2 “Constituent” means any individual or entity being represented in any Groups by one (1) or more Representatives.

1.3 “Contributions” mean any of the following, to the extent provided by a Contributor and intended for inclusion in a Work Product: (a) communications to or through a particular Group Mailing List; (b) other written materials provided at a face-to-face Group meeting, (c) other communications documented as “Contributions” in the minutes of a face-to-face Group meeting (without subsequent and timely objection by the putative Contributor); or (d) any other communications documented as “Contributions” in any online collaboration tools selected by the applicable Group (e.g., Wikis or Web-based form tools).

1.4 “Contributor” means, with regard to a particular Group, any person (individual, entity, or otherwise) who has signed the applicable agreement in accordance with Section 2.1(b) and has joined such Group by requesting access to the applicable Work Product Mailing List and, if such person is an individual, includes such person’s employer or other person or entity to whom that person owes a duty with respect to activities such as his or her participation in Groups or development of Work Product.

1.5 “Final Work Product” means the final version and contents of a Work Product that has been deemed final by the BGIN pursuant to the applicable BGIN Process. For purposes of this definition, a Final Work Product will not include any implementation examples or reference implementations.

1.6 “Implementation” means a product (e.g., but without limitation, hardware, software, or firmware) or service that consists of (or makes use of) one (1) or more Compliant Portions.

1.7 “Implementer” means a person or other entity that creates, distributes, or offers a product or service that contains or makes use of an Implementation.

1.8 “Implementers Draft” means the version and contents of a draft Work Product that, pursuant to the applicable BGIN Process, has been determined to be a candidate for a Final Work Product. For purposes of this definition, an Implementers Draft will not include any implementation examples or reference implementations.

1.9 “Intellectual Property Rights (IPR)” means any or all of the following in the world developed by BGIN: (a) patents (including design patent) utility models of any kind, patent applications, including

provisional applications, statutory invention registrations, inventions, discoveries and invention disclosures (whether or not patented), and all related continuations, continuations-in-part, divisions, reissues, re-examinations, substitutions, and extensions thereof, (b) rights in trademarks, service marks, trade names, corporate names, service names, symbols, logos, trade dress, packaging design, slogans, Internet domain names, uniform resource locators, and other similar identifiers of origin, in each case whether or not registered, and any and all common law and any applicable moral rights thereto, and registrations and applications for registration thereof and any goodwill associated therewith (collectively, “Trademarks”), (c) published and unpublished works of authorship whether or not copyrightable, whether or not registered or sought to be registered, copyrights in and to the foregoing, together with all common law rights therein, and any applications and registrations therefor and (d) trade secrets, know-how and other information of a confidential nature, (e) mask work rights and (f) other similar intellectual property rights and/or proprietary rights.

1.10 “Necessary Claims” means claims of any patent or patent application, other than design patents and design registrations, in any jurisdiction in the world: (a) for which a Contributor has the right, at any time when this Policy is effective, to grant licenses or rights of the nature granted herein without such grant resulting in payment of royalties or other consideration to third parties (except for payments to Related Entities or employees); and (b) that are necessarily infringed by Compliant Portions of a particular Implementation. A claim is necessarily infringed hereunder only when such infringement could not have been avoided by another commercially reasonable non-infringing implementation of Compliant Portion(s) of that particular Implementation based on the state of the art when the applicable Final Work Product is/was deemed final (or when the Implementers Draft was approved, as applicable), in accordance with the applicable BGIN Process. “Necessary Claims” do not, however, include any claims of any patent or patent application that read on: (x) any enabling technologies that may be necessary to make or use any product or service (or portion of either) that complies with an Implementers Draft or Final Work Product, but that are not themselves expressly set forth in such Implementers Draft or Final Work Product; (y) the implementation of other published standards not developed by or for the BGIN; or (z) any portion(s) of any product or service (or any combination of such portion(s)) the sole purpose or function of which is not required to comply with an Implementers Draft or Final Work Product.

1.11 “BGIN” means the Blockchain Governance Initiative Network, an independent community formed and temporarily organized under BN Association, a Japanese [Not for Profit Corporation], till the time a separate legal entity is formed for the purposes of BGIN. This term also includes the future legal entity that may be formed and registered in any jurisdictions.

1.12 “BGIN Process” means a processes by which the BGIN creates Groups, receives and considers Contributions, and generates draft Work Product (including Implementers Drafts) and Final Work Product, as set forth in the separate document entitled “BGIN Process Document.”

1.13 “Related Entity” means, with respect to any Contributor, any person, firm, corporation, partnership, or similar entity that, directly or indirectly controls, is controlled by, or is under common control with such Contributor, but only for so long as such control exists. For purposes of the foregoing, “control” means direct or indirect control of forty percent (40%) or more of the voting power to elect directors of that corporation, or for any other entity, the power to direct management of such entity.

1.14 “Representative” means an individual who (or an entity that) owes a duty to employers, clients, or other third parties regarding intellectual property that he or she creates (in whole or in part) that is related to Work Product or the actions of any Groups.

1.15 “Scope” means, with regard to a particular Group, a statement of the functionalities and technologies to be included in (and excluded from) the Work Product(s) to be developed by such Group. The Scope for any Group will not include: (a) any enabling technologies that may be necessary to make or use any product or service or any portion thereof that complies with an Implementers Draft or Final Work Product, but that are not themselves expressly set forth in such Implementers Draft or Final Work Product; or (b) the implementation of other published standards not developed by or for the BGIN. For purposes of defining its Scope, an Implementers Draft or Final Work Product will be deemed to include only its technical requirements as fully described therein and will exclude any implementation examples or reference implementations.

1.16 “Work Product” means any document created by the BGIN or Groups pursuant to the applicable BGIN Process that contains technical information of a nature that includes one (1) or more portions that must be implemented as described therein for any Implementations thereof to contain a Compliant Portion.

1.17 “Work Product Mailing List” means a mailing list on the BGIN email reflector that pertains to development of Work Product and that is identified by the address “*@blockchain-discussion.net” where “*” is replaced with a relevant term identifying the particular Work Product to which such mailing list pertains.

1.18 “Group” means a group as defined in the BGIN Process Document whose actions are conducted, in accordance with the terms and conditions of this Policy, the BGIN Processes, the BGIN bylaws, and any other applicable BGIN policies or procedures, for the purpose of developing particular Work Product. Each Group is associated with a single Work Product Mailing List and a unique Scope.

2. **Contributions/Contributors.**

2.1 **Becoming a Contributor.**

(a) **General.** To become a Contributor, an individual or entity must affirmatively accept the BGIN contribution agreement (which incorporates this Policy by reference) and indicate which Groups the Contributor is joining, the type of Contributor that the individual or entity will be (pursuant to Section 2.1(b)), and provide any other required documentation or verification. Although all Contributors participate in Groups through acts of individuals, to maintain the royalty-free nature of Work Product, individuals who may owe duties to third parties with respect to their Contributions must provide (and update from time to time, if the required information becomes inaccurate or incomplete) additional information and approvals, as provided in Section 2.1(b). An individual or entity that has become a Contributor pursuant to this Section 2.1 may later join other Groups on written request, and the terms of the BGIN contribution agreement and of this Policy will apply to all Groups joined.

(b) **BGIN Contribution Agreement.** On the BGIN contribution agreement, the individual or entity desiring to become a Contributor must self-identify as one (1) of the following:

(i) **Unaffiliated Individuals.** Unaffiliated Individuals must sign and return (either electronically or in paper form) the BGIN contribution agreement, indicating thereon that no duty is owed to any third party regarding participation in, or Contributions to, Groups and verifying the unfettered right to make Contributions. Although the BGIN has no duty to investigate, it may, if it deems it necessary at any time, require additional documentation from self-identified Unaffiliated Individuals (e.g., if an Unaffiliated Individual provides a corporate email address). “Unaffiliated Individual” means an individual who does not owe any duty to third parties (e.g., but without limitation, employers or clients) regarding activities such as

participating in Groups or creating Work Product.

(ii) *Affiliated Individuals.* An Affiliated Individual must: (A) sign and return (either electronically or in paper form) the BGIN contribution agreement, indicating thereon that no duty is owed to any third party regarding participation in, or Contributions to, Groups and verifying the unfettered right to make Contributions; and (B) submit verification of same (in the form provided by the BGIN), either manually or electronically signed by all third parties that own, or have exclusive rights to, any intellectual property created, in whole or in part, by such individual. “Affiliated Individual” means an individual who owes a duty to employers, clients, or other third parties regarding certain intellectual property that he or she creates (in whole or in part), but not regarding intellectual property related to Work Product or the actions of any Groups.

(iii) *Representatives.* A Representative must sign and return (either electronically or in paper form) the BGIN contribution agreement, identifying the third party being represented, and agreeing personally to be bound by this Policy to the extent that any of his or her Contributions is not owned or controlled by such third party. A Representative may not participate in any Group, be given access to the applicable Work Product Mailing List, or make any Contribution, until the applicable Constituent (defined in Section 2.1(b)(iv)) becomes a Contributor to such Group(s) in accordance with Section 2 (and may not continue to participate as the identified Constituent’s Representative if such Constituent ceases to be a Contributor).

(iv) *Constituent.* A Constituent must sign and return (either electronically or in paper form) the BGIN contribution agreement, indicating thereon that no duty is owed to any third party regarding participation in, or Contributions to, Groups and verifying the unfettered right to make Contributions. A Constituent must also identify the Representatives participating in Work Groups on its behalf (which identification the Constituent may change from time to time on notice to the BGIN).

(c) Contribution. No Contributor will incorporate any third party materials into any Contribution, unless it has all the rights and licenses necessary from such third party to submit such Contribution in accordance with the terms and conditions of this Policy.

(d) Retroactive Effect. In consideration of the BGIN allowing any individual or entity to become a Contributor, such individual or entity acknowledges that Section 5 and 6 of this Policy apply to any Contributions made before signing the BGIN contribution agreement or otherwise agreeing to the terms of this Policy.

3. **Groups.** The BGIN may, from time to time, propose forming a new Group pursuant to the applicable BGIN Process. The first obligation of a new Group is to establish and approve its Scope. Although Contributors may join a Group at any time, no Contributor that joins a Group before the Scope is approved will be bound by Sections 5 or 6 of this Policy, as applied to such Group, until after: (1) the Scope is approved pursuant to the applicable BGIN Process; and (2) thirty (30) days have passed after such approval, and the Contributor has not withdrawn from the Group in accordance with Section 6.3 below.

4. **Confidentiality.** All Contributions, and other materials shared broadly with BGIN Contributors or other BGIN participants for the sole purpose of developing Work Product (but not including materials shared with Contributors outside of the context of participating in a Group or for any purpose other than developing Work Product), will be considered non-confidential information, regardless of any markings to the contrary included thereon or related thereto.

5. **Copyrights.** In the course of its work developing recommended Work Product, the BGIN receives Contributions in various forms and from many sources. In addition to other applicable terms and conditions

in this Policy, the following terms and conditions apply to such Contributions.

5.1 **Copyright License.** Some Contributions may not be subject to copyright. To the extent, however, that a Contribution is or may be subject to copyright, the Contributor hereby grants a perpetual, irrevocable (except in case of breach of this license), non-exclusive, royalty-free, worldwide license in such copyright to the BGIN, to other Contributors, and to Implementers, to reproduce, prepare derivative works from, distribute, perform, and display the Contribution and derivative works thereof solely for purposes of developing draft Work Product and implementing Implementers Drafts and Final Work Product.

5.2 **No Obligation.** Contributor acknowledges that the BGIN has no duty to publish or otherwise use or disseminate any Contribution.

5.3 **References.** Contributor hereby grants permission to reference the name(s) and address(es) of the Contributor, but only in association with the Contribution(s) of Contributor (and not with respect to any work derived from such Contribution(s), including without limitation a Work Product, without the prior written consent of Contributor).

5.4 **Attribution.** Contributor represents that Contributions comprised of written submissions submitted by such a Contributor to the BGIN comply with any copyright attribution requirements relating to third party content.

5.5 **Implementer Drafts; Final Work Product.** Subject to each Contributor's rights in individual Contributions, the copyright in any Implementers Drafts and Final Work Product will be owned solely by the BGIN. Each Contributor will execute and deliver such instruments and take such other actions as and when the BGIN may reasonably request to perfect or protect its copyright in the Implementers Drafts and Final Work Product.

5.6 **Retention of Rights.** Subject to any licensing obligations herein, Contributor retains all rights in and to its Contribution, and there are no other limitations whatsoever on Contributor's ability to exercise any copyright rights in its Contribution or any portion thereof.

6. **Patents.**

6.1 **Limited Patent Promise.** Each Contributor hereby irrevocably makes the following promise (on behalf of itself and its Related Entities) without the requirement of any monetary compensation or any additional terms and conditions:

Contributor ("I" or "me") hereby irrevocably promises not to assert any Necessary Claims against any other entity ("you") for making, using, selling, offering for sale, importing, or distributing any Implementation or offering any product or service to the extent it contains or uses a Compliant Portion, subject to the following. This is a personal promise directly from me to you, and you acknowledge as a condition of benefiting from it that no rights from me are received from me for your suppliers, distributors, or otherwise in connection with this promise.

This promise is not an assurance that: (a) any of my issued patent claims covers an Implementation or are enforceable; or (b) an Implementation will not infringe patents or other intellectual property rights of any third party. No other rights except those expressly stated in this promise will be deemed granted, waived, or received by implication, exhaustion, estoppel, or otherwise.

I may (but am not obligated to) condition my promise on your making a reciprocal promise, applicable to the same Implementers Draft or Final Work Product as my promise, that is at least as

favorable as that above and that applies at least to your Necessary Claims. Either of us may (but neither of us is obligated or may require the other to) make a promise that is more favorable than that above (including without limitation by applying more broadly to any relevant claims, rather than just to Necessary Claims).

I may (but am not obligated to), from time to time, provide the terms of any more favorable patent promise (“Non-Default Terms”) to the BGIN, in writing, and such Non-Default Terms will apply to any Implementers Draft or Final Work Product approved in accordance with the applicable BGIN Process before I replace or retract such Non-Default Terms. If I replace such terms with new Non-Default Terms, then the new Non-Default Terms will apply to any Implementers Draft or Final Work Product approved after such replacement (but the prior Non-Default Terms will continue to apply to any Implementers Draft or Final Work Product approved before such replacement). If I retract such Non-Default Terms, or if I never provide any Non-Default Terms, then the first four (4) paragraphs of this Section 6 are the terms of my patent promise to you.

6.2 Patent Disclosures. There is no requirement or expectation by others that Contributors should disclose patents or patent applications that they have reason to believe may contain Necessary Claims. The BGIN hereby disclaims any responsibility for identifying the existence, or for evaluating the applicability, of any patents, patent applications, or other rights (including copyrights) claimed to be applicable to any Work Product and will take no position on the validity or scope of any such rights.

6.3 Withdrawal. A Contributor may withdraw from a Group at any time by providing at least seven (7) days’ written notice to the BGIN. The withdrawing Contributor will, in perpetuity, remain subject to Section 5, as applied to copyrights in any Contributions made before the effective date of such withdrawal, and to the limited patent promise in Section 6.1, as applied to any Implementers Drafts or Final Work Product accepted by the Contributor. A Contributor has “accepted” an Implementers Draft or Final Work Product if the Contributor (in accordance with the applicable BGIN Process and after a formal call by an editor of the applicable Work Product to recommend adoption of the then-current draft Work Product as an Implementers Draft or an applicable Implementers Draft as a Final Work Product): (a) expressly decided pursuant to Consensus and Decision Making process to recommend adoption (or otherwise recommended adoption, in writing in (or on the record of), any assessment of consensus); (b) failed timely to decide pursuant to Consensus and Decision Making to recommend disapproval of such adoption (or otherwise to disapprove of such adoption, in writing in (or on the record of) any assessment of consensus); or (c) expressly and timely decided pursuant to Consensus and Decision Making to recommend disapproval of such adoption (other otherwise disapproved of such adoption, in writing in (or on the record of) any assessment of consensus), yet failed to provide to the BGIN notice of intent to withdraw, or notice of an appeal to the Coordinating Council, within forty-five (45) days after the Work Product editor announces either that the Group has reached consensus (or has voted) to recommend adoption. If, however, a Contributor timely requests appeal as provided in the foregoing sentence, then: (y) the time to serve notice of withdrawal (solely for Contributors seeking appeal) will be deemed extended until fourteen (14) days after the Coordinating Council announces its decision or recommendation on the appeal; and (z) any effect of the adoption of the applicable Implementers Draft or Final Work Product will be deemed stayed until seven (7) days after any recommendation of the Coordinating Council has been decided pursuant to Consensus and Decision Making by the BGIN membership as provided in the applicable BGIN Process.

7. Assignment of IPR: All the IPR, initially shall be held, registered in the name of and owned by BN Association. On the date of adoption of the BGIN Process Document and this BGIN IPR Policy, BN Association represents and agrees to cooperate in future assignment of the IPR to the new legal entity that shall be formed. The consideration for the future assignment shall be nominal consideration that shall be agreed upon by the Coordinating Council with the BN Association.

8. **Notices.** The following notice must be included in all Work Product:

The technology described in this document was made available from contributions from various sources, including members of the BGIN and others. Although the BGIN has taken steps to help ensure that the technology is available for distribution, it takes no position regarding the validity or scope of any intellectual property or other rights that might be claimed to pertain to the implementation or use of the technology described in this document or the extent to which any license under such rights might or might not be available; neither does it represent that it has made any independent effort to identify any such rights. BGIN and the contributors to this document make no (and hereby expressly disclaim any) warranties (express, implied, or otherwise), including implied warranties of merchantability, non-infringement, fitness for a particular purpose, or title, related to this document, and the entire risk as to implementing this document is assumed by the implementer. The BGIN Intellectual Property Rights policy requires contributors to offer a patent promise not to assert certain patent claims against other contributors and against implementers. BGIN invites any interested party to bring to its attention any copyrights, patents, patent applications, or other proprietary rights that may cover technology that may be required to practice this document.