

stobbs

Intangible Asset
Management

Blockchain domains and NFTs - applications, risk management and enforcement



- Julius (Founder of Stobbs)
 - Welcome, introduction and context



- Esther Jolley (IA Director - Brand Extension at Stobbs)
 - A short introduction to NFTs: what they are, their relationship to the blockchain and cryptocurrency, the marketplace and key considerations for brand owners



- Nick Wood (Executive Chairman - Com Laude)
 - Introduction to blockchain domains, their applications, key players and key issues for brand owners



- Richard Ferguson (IA Director - Online Brand Enforcement at Stobbs)
 - Enforcement and recovery of blockchain domains and NFTs - how you can combat infringement in this new space



Introduction

Julius

Blockchain
domains

Nick Wood

Introduction
to NFTs

Esther

Enforcement of
NFTs and
Blockchain
domains

Rich Ferguson

STOBBS

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Audience poll

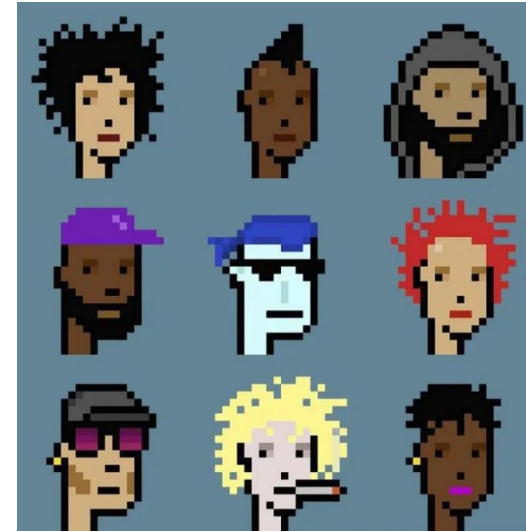


What are NFTs?

- When people use the term NFT, they are usually referring to a **digital asset** – things like digital artworks or video clips.

But...

- An NFT or Non-Fungible Token is a digital token, linked to digital (and sometimes physical) content
- The token is recorded on the blockchain, and authenticates ownership of the digital asset – essentially becoming a 'digital receipt'



Founder Cat #18

10 X Gen 0 Brisk Cooldown (1h)



What is 'non-fungible'?



What is the Blockchain?

- A digital ledger – a **public database** updated and shared across many computers in a network.
- Data is stored in sequential batches or “blocks”.
- The most talked about blockchain in relation to NFTs is **Ethereum** and the main cryptocurrency is **ETH**.
- There are around 3,000 other cryptocurrencies which are built on Ethereum.

What kind of NFTs can be bought?

Tends to be digital assets such as:

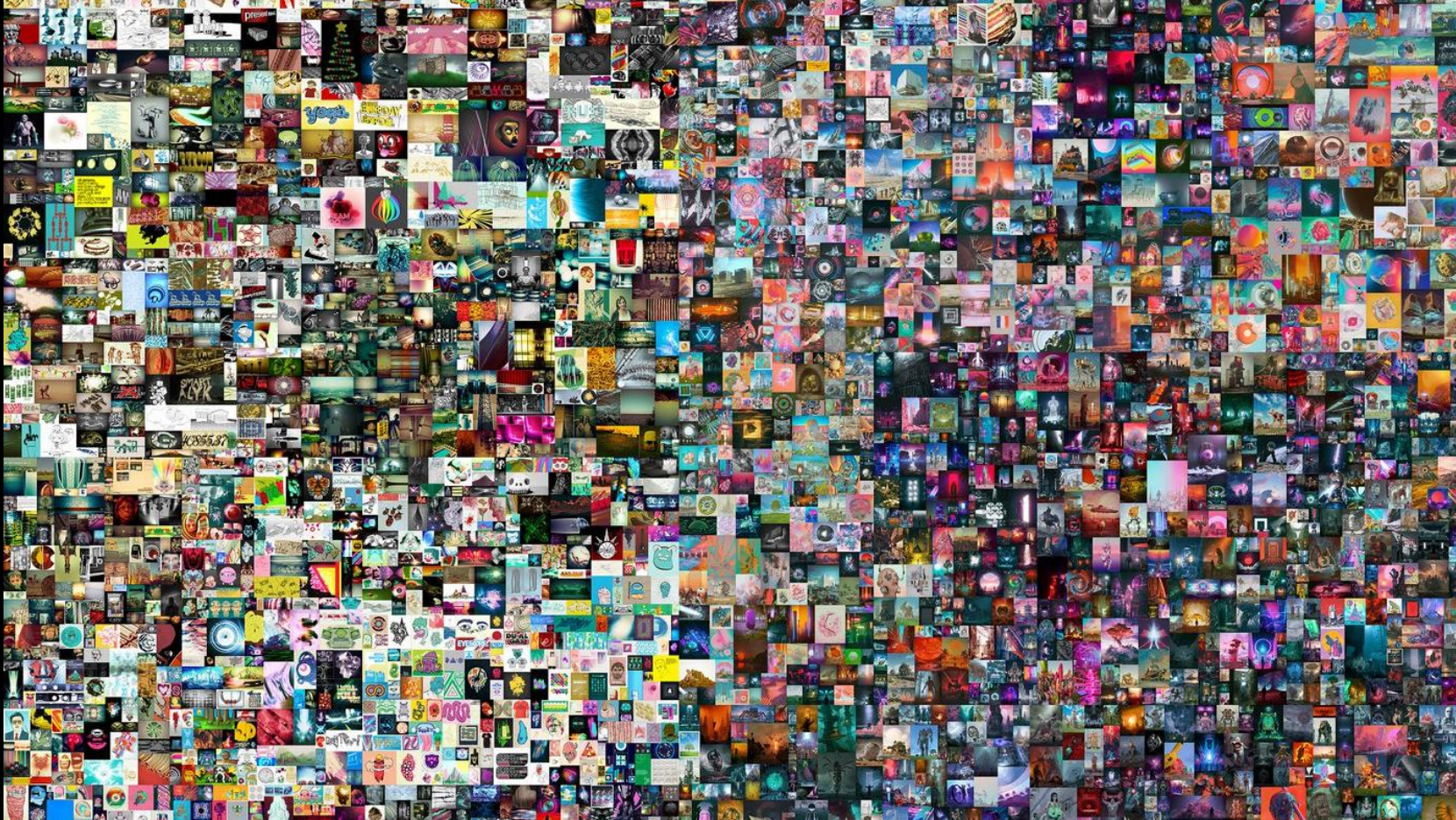
- Art
- Video clips
- Music
- Branded product for Avatars

But can also confirm ownership of:

- Tickets
- Access to VIP experiences



Why have NFTs become so popular?



Everydays: The First 5,000 days

- Collage of 5,000 digital images
- Sold by Christies for c.\$69.3m in March 2021

CryptoPunks

- Launched in 2017
- Collection of 10,000 unique 'punks'
- In June 2021, CryptoPunk #7523 was sold for US\$11.75 million at a Sotheby's auction



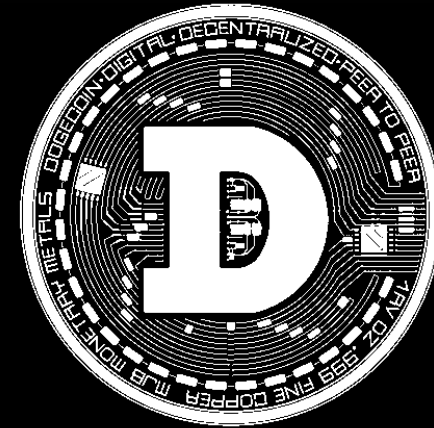
The Bored Ape Yacht Club



- Collection of 10,000 unique Bored Ape NFTs
- Ownership grants access to members-only benefits
- The project was launched in April 2021 and sold out in 12 hours

How do you buy an NFT?

- NFTs are most commonly bought using **Cryptocurrency**.
- Both Cryptocurrencies and NFTs rely on the Blockchain to keep track of who owns what.
- More recently, companies are realising that to encourage more people to purchase NFTs, they need to offer a much easier and simplified approach, and so it's now possible to purchase NFTs using 'cash' (or your credit card) as well as with cryptocurrencies.



Audience poll



Cryptocurrencies



Bitcoin
[BTC]



Ethereum
[ETH]



Tether
[USDT]



Ripple
[XRP]



Litecoin
[LTC]



Cardano
[ADA]



Polkadot
[DOT]



Bitcoin Cash
[BCH]



Stellar
[XLM]



Binance Coin
[BNB]



ChainLink
[LINK]



USD Coin
[USDC]



Wrapped Bitcoin
[WBTC]



Eos
[EOS]



Monero
[XMR]



TRON
[TRX]



Nem
[XEM]



THETA
[THETA]



Tezos
[XTZ]



Uniswap
[UNI]



Neo
[NEO]



Aave
[LEND]



Qtum
[QTUM]



Augur
[REP]



Basic Attention Token
[BAT]



Iota
[IOT]



Zcash
[ZEC]



Celsius
[CEL]



Maker
[MKR]



Revain
[R]



Ethereum
Classic
[ETC]



Decred
[DCR]



Icon
[ICX]



Compound
[COMP]

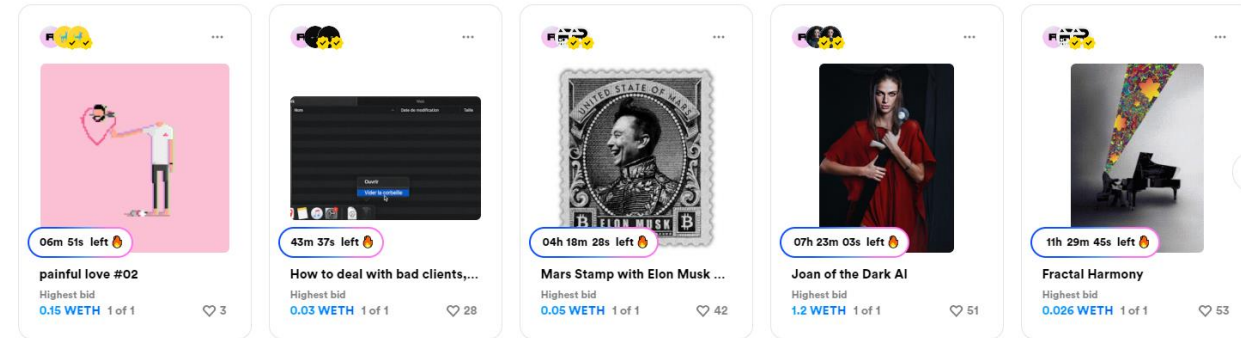


Lisk
[LSK]

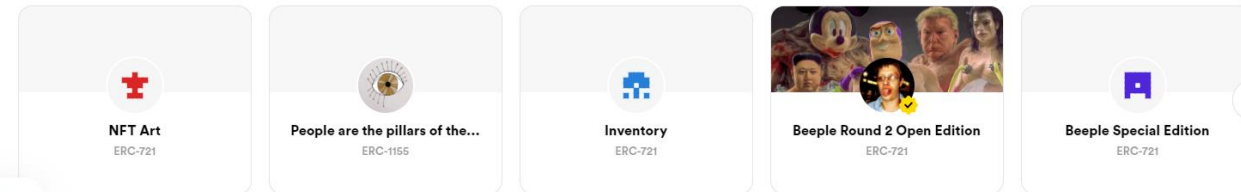
NFTs can be traded on marketplaces (think eBay for NFTs)

- Including:
 - OpenSea (the largest)
 - Rarible
 - SuperRare
 - Makersplace
 - Nifty Gateway

Live auctions 🔥



Hot collections 💣



Discover, collect, and sell extraordinary NFTs

OpenSea is the world's first and largest NFT marketplace

[Explore](#)[Create](#)[▶ Learn more about OpenSea](#)

Danfo Reverie
[Demo250](#)



Notable Drops



MOMENTS FROM NBA HISTORY

Thousands of NBA Fans from around the world collecting over 10 million Top Shot Moments. Start building your roster of Rookies, Vets, and Rising Star Players.

START YOUR COLLECTION



340,000+ NBA FANS HAVE JOINED TOP SHOT

#30/250
RARE
TYLER HERRO



COLLECT AND OWN THE BEST MOMENT



MATTEL CREATIONS

BALMAIN x BARBIE

mint^{NFT}

BARBIE NFT 1

BARBIE NFT 2

BARBIE NFT 3

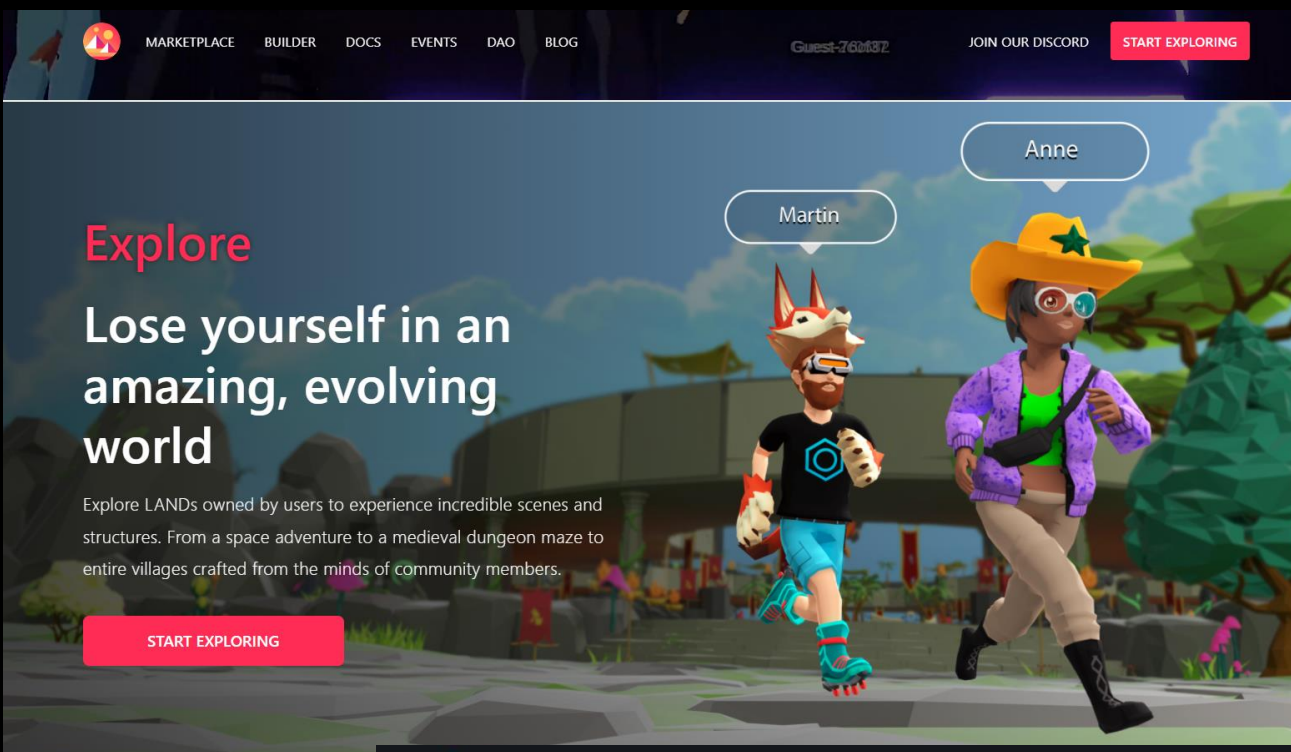
FAQ

SIGN IN

BALMAIN x BARBIE: A HIGH-FASHION AUCTION

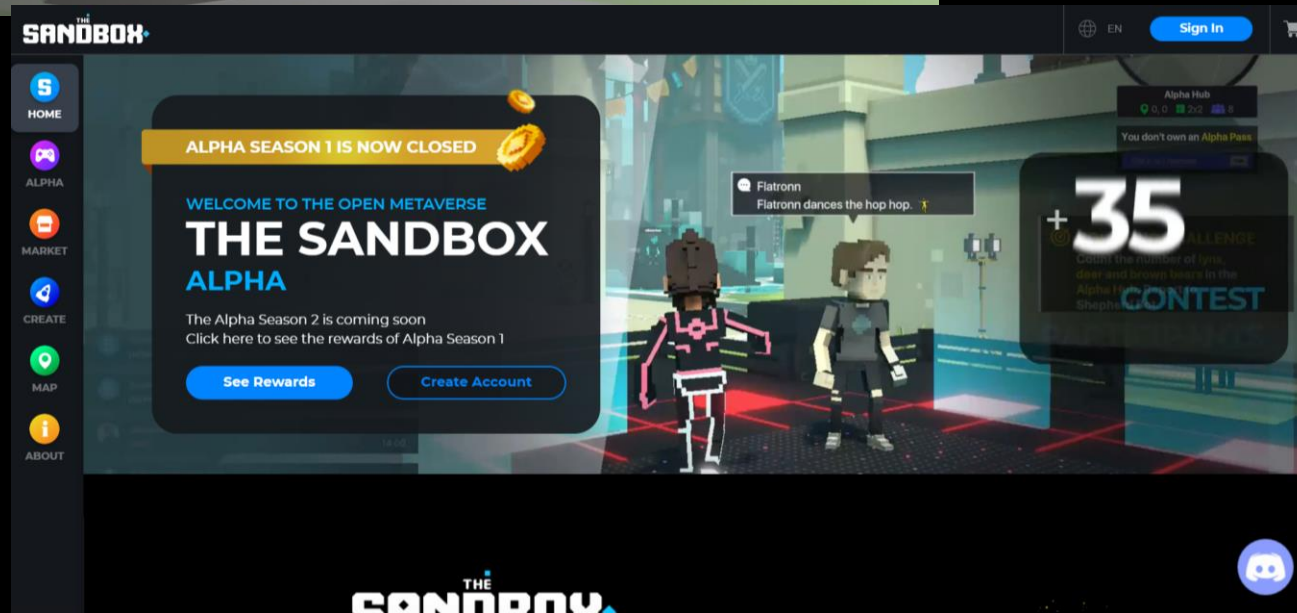
[Learn More](#)





Metaverse games

- 3D virtual worlds platform
- Users can buy virtual characters, plots of land and Avatar wearables in the platform as NFTs
- Both built on the Ethereum blockchain and their own cryptocurrencies: MANA and \$SAND.



Questions for brand owners

- What is your strategy for entering or not entering the NFT space?
 - Have you protected your trade marks?
 - Are you 'watching' NFT marketplaces like you would watch Amazon, eBay or T-mall, for unauthorised use of your IP?
 - Have you considered what action you will take if you identify NFT creators who are commercialising your IP without permission?
- Have you updated your license agreement boilerplates?



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STOBBS



- We deliver an exceptional, client-shaped, customer experience to brand owners seeking strategic domain name services.
- We have an international network of 10 offices in Europe, the Americas and Asia.
- We are developing blockchain domain services to complement our DNS domain services.

Introduction to
blockchain domains?

Difference to DNS
domains

Why are they
popular?

Issues for brand
owners

Strategies for
protection

A blockchain is a decentralized, (supposedly) tamperproof public ledger

- Blockchains can be Permissionless which anyone can join pseudo-anonymously or Permissioned where the identities of operators of nodes are known, and rules apply
- Today, we are focusing on domains that run on Public / Permissionless Blockchains like Ethereum
- Little risk to brand owners from Private, Consortium or Hybrid blockchains



Richemont, LVMH & Prada have launched Aura, first “Global Luxury Blockchain”

A blockchain domain is an asset generally on a permissionless / public blockchain that is secured through a smart contract, like an NFT

- For example:
 - Ethereum Blockchain developers have created the Ethereum Naming Service (ENS) to allow the registration of .ETH names on the Ethereum Blockchain
 - An .ENS domain uniquely identifies an Ethereum address in a “human readable way” as a DNS Domain identifies an IP address (so comlaude.com overlays 94.199.146.95 in the domain name system)
 - 0x78743110A1B17c86cH43g09853c0vb2836c205 hard to remember
 - comlaude.eth easy to remember
 - The domain name, domain IP & transaction hash are recorded in the Ethereum blockchain
 - Only the wallet owner who bought the domain can make any changes because they own the private key

DNS domains

- ICANN governs global network of accredited registrars, registries and resellers selling gTLDs through contract: each nation has a ccTLD operator operating within national law
- Harmonised set of technical standards means one globally accessible technical architecture operating to harmonized standards
- Registrants can be identified by various means including WHOIS, IP address, server lookups etc
- Registries and Registrars must KYC
- Annual renewal, generally
- Administrative dispute procedures to tackle X-border abusive registration like UDRP
- Works across browsers seamlessly
- Active aftermarket
- 375 million registered

Blockchain Domains

- No controlling agency operating globally or recognized by governments. ICANN has no authority over blockchain domains
- No harmonized technical standards or uniform architecture
- Registrants who wish to cannot be identified
- No KYC
- Generally, no renewal
- No administrative dispute procedures
- Plug-in required or use of smaller browsers like Opera or Brave
- Active aftermarket
- 5-6 million registered

Why blockchain domains are growing in popularity

- They provide “human readable names” for wallets, facilitating metaverse & crypto transactions
 - “Traditional” wallets feature hexadecimal 35 number sequence
 - Using a blockchain domain to identify a wallet eases crypto currency transactions
- There is freedom from regulation & oversight
 - Above government control
 - Cannot be revoked (though a court likely to regard as property)
 - There are no standard IP protections
 - Registrant can't be identified unless they want to be
 - Tamper proof
- They assist with speculation, making NFT investment more real
 - Short, descriptive blockchain domains are being sold, usually through auctions: like early days of .com speculation
 - May identify a location or an asset secured by an NFT in a metaverse such as Decentraland or The Sandbox

The screenshot displays a user interface for managing a blockchain domain. It includes a section for the domain owner's address, a table for adding cryptocurrency addresses (with columns for Currency and Address), and a list of suggested wallets for sending cryptocurrency. A 'SAVE CHANGES' button is also visible.

Currency	Address
BTC	1EVt92qQnaLDcmVFtHivRJaunG2mf2C3mB
ETH	0x45b31e01AA6f42F0549aD482BE81635ED3149abb

Owner: 0x020e7c546b1567ffc7f6202ca5f748533523dadc

Enter record information about your domain to be displayed when your domain is searched

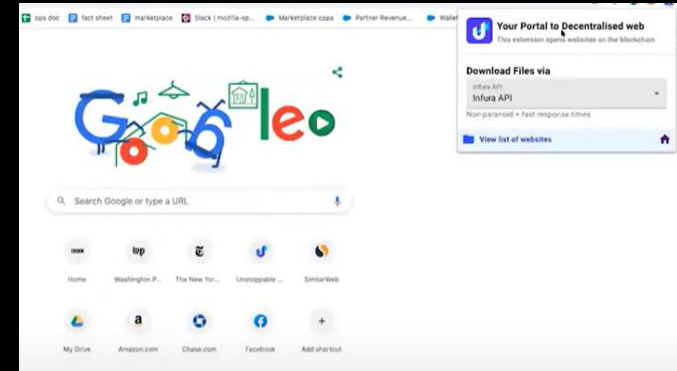
SAVE CHANGES

Send cryptocurrency to a blockchain domain in these wallets right now:

- Coinomi
- Trust
- MyEtherWallet
- Atomic
- Ambo
- Guarda

The Microsoft View: Blockchain domains are a risk

- Latest Digital Defence Report
<https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RWMFIi>
- “Blockchain domains are an emerging threat outside of regulation...we have observed blockchain domains integrated into cybercriminal infrastructure and operations”
- “Within the past year some of the bigger threat actors have started utilizing blockchain domains as part of their infrastructure:
 - Trickbot ransomware trojan uses .bazar domains on Emercoin blockchain
 - Emercoin now provides “explorer tool” to help search for blockchain domains
- “Countering blockchain domains might not be as difficult as you think” if you run a network
 - Their weakness is the need for 3rd party proxy services or plug ins (but note that Opera now accommodates blockchain domains)
 - Disable these at the network level



The issues brand owners face

- Many brand names taken on some blockchains like Ethereum
- Thousands more reserved under “Protected Brands Policy” ” on Handshake & Unstoppable Domains
- Registrants are anonymous
 - Registration process can feature management of wallets to hold crypto, purchase of volatile gas fees to mint the domain, custody of the wallet and keys, participation in auctions
- It is a bull market for blockchain domains as the appeal of the metaverse & cloud gaming grows and GenZ with access to mobile matures

wholefoods/

is for sale by owner



Buy now 69,420,000.00 HNS

Review & Purchase

If you choose to claim a free protected brand domain pursuant to this Protected Brands Policy, you grant to Unstoppable Domains a limited, non-exclusive, royalty-free, fully paid up, worldwide license to use, reproduce, publish, and distribute the claiming entity’s name, primary trademarks, and logos for publicity purposes as a condition of claiming the domain.

For the next 12 months, focus on top three alternate roots with momentum where speculators are active



600k TLDs & SLDs



3m SLDs – not possible to register at Top Level



2m TLDs & SLDs



- Potential future addition



UNSTOPPABLE DOMAINS

gazprom

Endings for "gazprom"

.x 🛡️	.crypto 🛡️	.coin 🛡️	.wallet 🛡️	.bitcoin 🛡️
.888 🛡️	.nft 🛡️	.dao 🛡️	.zil 🛡️	.blockchain 🕒



gazprom.x
Protected



Add to Cart



Protected names are reserved for brands, notable individuals, and trademark owners. [Learn more](#)

- Nine top levels (.blockchain yet to launch), now using Polygon blockchain (not Ethereum)
- Reclaim process for protected names features official fees \$100 per extension
- Registration official fees based on string length & popularity. From \$120 - \$18,000
- Low gas and custody fees.
- Ignore registration at second level under 3rd party TLDs – no traction:

HANDSHAKE .oot £6.60/yr	HANDSHAKE .oo £11.01/yr
-------------------------------	-------------------------------



gazprom.eth

PARENT	eth
REGISTRANT	 0x9aE80b7A2a27f77810e97017f27A341ADB3d2148
CONTROLLER	 0x9aE80b7A2a27f77810e97017f27A341ADB3d2148
REGISTRATION DATE	2017.05.19 at 08:24 (UTC+01:00)
EXPIRATION DATE	2023.08.29 at 23:22 (UTC+01:00) Remind Me

- Many brands taken by speculators – here the owner of Gazprom.eth also has Colgatepalmolive.eth, Essity.eth, Diageo.eth, Lululemon.eth and hundreds of others
- 70,000 minted in each of Nov & Dec 2021
- No formal reclaim and the Ethereum community against squatting
- “We are explicitly anti-squatting, and we have been for years. We think people saying, ‘I’m gonna get the celebrity and brand dot-eth names, and I’m gonna hold out for millions,’ we think that’s dumb. It is just extortion” - Brantly Millegan, Director of Operations ENS domains
- If not taken, registration from \$50 - \$1920 depending on length & popularity plus gas fees

Handshake naming service

- Thousands of top brands reserved. Reclaim procedure requires:
 - DNSSEC Ownership Proof that you have corresponding .com
 - Opening a wallet with .hns to pay for and to hold name
- Reclaim process official fees \$100 per extension
- Registration official fees \$50



“ Decentralizing the web creates a more egalitarian online space where technologies power the Internet community rather than a few stakeholders. Handshake represents a shift toward decentralization, with progressive steps that help to grant users less oversight, more freedom, and enhanced security.

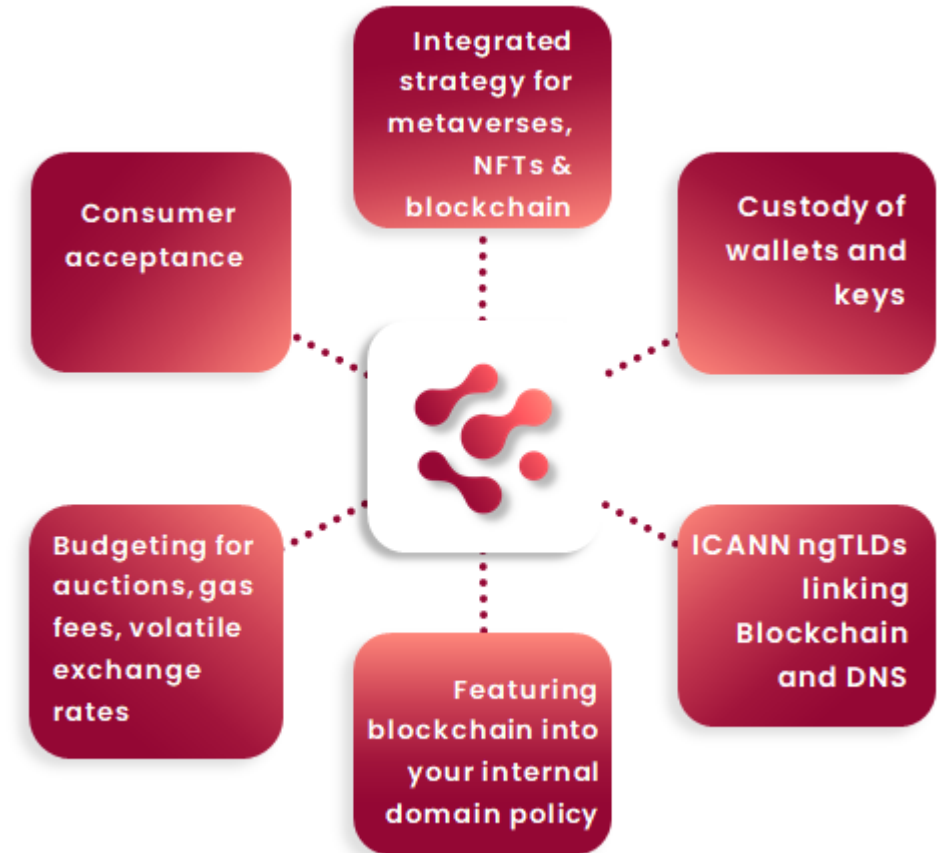
Registering takes time...

- Registering at Top Level for example on Handshake can require:
 - Initial fees of \$10,000 or more including blockchain fees, gas for minting
 - Ongoing custody & sometimes renewals
 - Management of wallet
 - Purchase of crypto currencies (mostly)
 - Participation in Vickerey -style auction
- With registration at Top Level, you become a member of the DAO / community with a vote on policy



Further considerations

- Blockchain domain adoption will increase because they are useful for:
 - Identifying crypto wallets
 - Identifying “property” in metaverse
- Over next 12 months, consider:
 - Co-ordinated strategy for your brand in metaverse, cloud gaming, on NFT platforms (OpenSea etc) & in blockchains
 - Monitoring new entrants: hard to pick winners?
 - Cost of acquiring domains from speculator registrants vs. applying early



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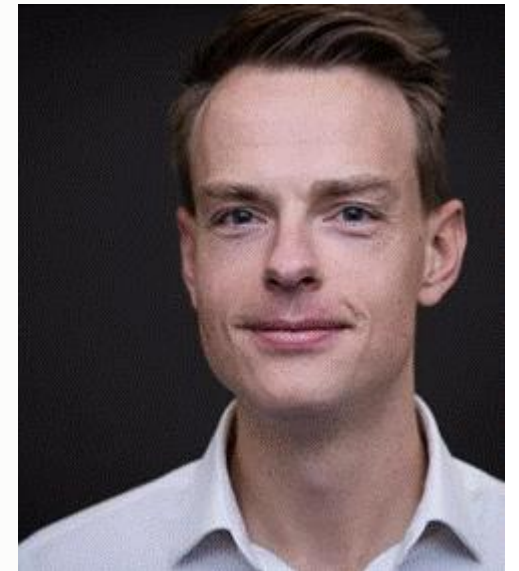
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Audience poll

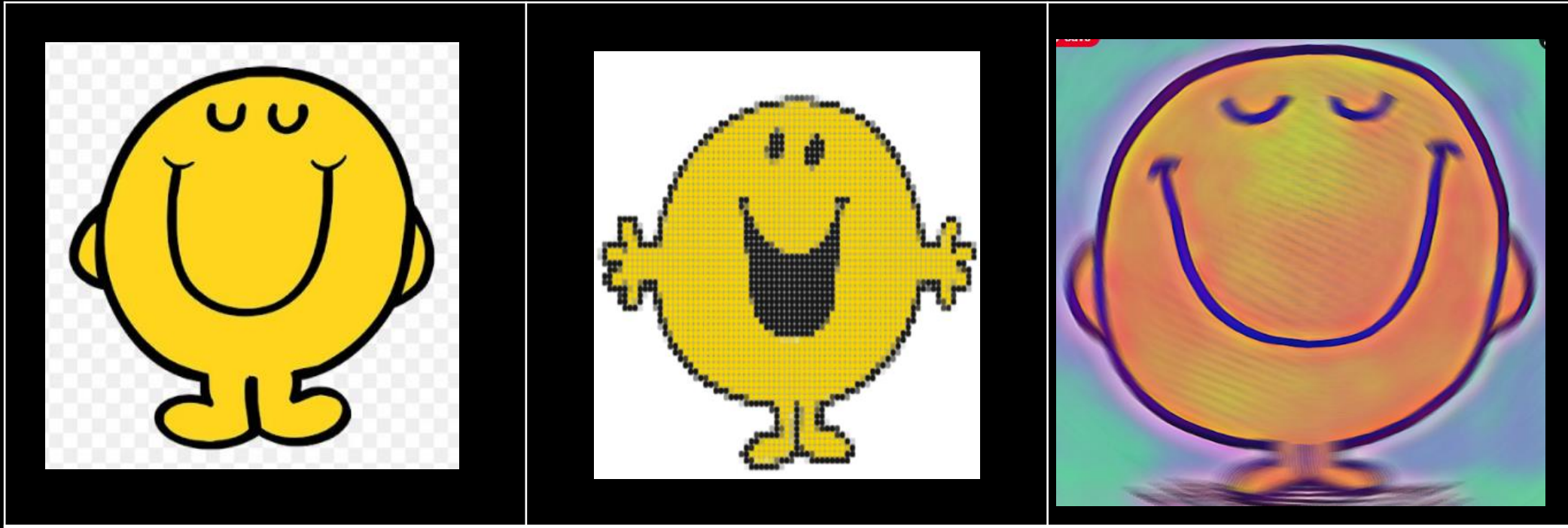


Online Brand Protection – Strategy

- An agreed approach is important
 - How important are NFTs within the business plan?
 - Impact on the intensity and breadth of monitoring?
- Automated OBE software crawling technology:
 - Licensor / licensee using a vendor that monitors these platforms?
 - Updated keyword list? Image Matching? OCR?
- Social Media and Website monitoring remains important
 - Fake accounts to sell fake NFT artwork, using collateral from trusted brands to legitimise themselves
 - Fake NFT giveaways and prizes – harvesting of 'winners' personal information, crypto wallets, seed phrases, or passwords
 - Investor scams – promotion of bogus upcoming projects and NFT businesses

Online Brand Protection – Strategy

The risks of not engaging with NFTs...



Online Brand Protection – Monitoring

- Manual monitoring
 - In-house checks: to compliment any automated programmes and compensate for any limitations in subscriptions
 - Checking competitors' activities: are they consistent with your experience of the licensor? For example, NFT derivatives, collaborations or physical merchandise of the NFT offered by fellow licensee?
 - Customer services and consumer complaints: workflow process for information and evidence capture
- Communication with other departments to keep informed of future issues e.g., new releases or collaborations
- Updating monitoring programmes to incorporate spikes in popularity for certain products or drops.

Copycats



Limitations: blockchain and immutability

- 1 Decentralised/immutable nature presents challenges for permanent removal - it is extremely difficult to physically remove the actual NFT from someone's possession
- 2 Identifying the underlying owner can be difficult
- 3 Disrupting open sale and promotion of infringements is key for 'standard' enforcement - blacklisting to reduce the perceived value


Your IP portfolio needs to be NFT-ready

laptops; sleeves for tablet computers; sleeves for portable computers; cases for mobile phones, tablets or portable computers; non-fungible tokens (NFTs); non-fungible tokens (NFTS) relating with digital art, collectibles, photographs, videos, or audio recordings; digital tokens based on blockchain technology; digital collectibles; software for the sale and purchase of digital media and collectibles, including non-fungible tokens (NFTs); computer software for managing and validating non-fungible tokens (NFTs) transactions using blockchain-based smart contracts; computer software for non-fungible tokens (NFTs) transactions using blockchain technology; computer software for managing and verifying non-fungible tokens (NFTs) transactions on a blockchain; digital collectibles software using blockchain-based software technology and smart contracts; downloadable computer software for managing digital collectible services, a market for transactions, and a registry using blockchain-based software technology and smart contracts for digital collectibles; digital materials, namely, non-fungible tokens (NFTs); digital materials, namely, non-fungible tokens (NFTs); downloadable virtual goods, namely, downloadable content featuring clothing, design, lifestyle, fashion, couture, culture, technology, food, cooking, travel, current events, health and fitness for use online and in the online virtual worlds; parts and fittings for the aforesaid goods.

- Copyright – chain of title is watertight and documented
- Trade marks – coverage includes NFTs and the metaverse
- Ensure letters of authority and POAs are up to date and cover NFT marketplaces
- Licensee allowed to enforce on behalf of licensor?

Pay attention to the small-print T&Cs on NFT marketplaces

- It's key to review and understand the standard T&Cs on key NFT marketplaces such as OpenSea, Rarible and LooksRare
 - OpenSea: User's will not "infringe the intellectual property rights or any rights of others"
- Does the platform have an established reporting process?
 - In particular in terms of timescales for removal
- Any additional T&Cs have been imposed e.g., license terms governing use of the NFT



OpenSea IP Takedown Request Form

This form is to be used only for reporting alleged infringements of your IP rights.

Describe your relationship to the rights owner. *

☒ I am the rights owner.

☐ I am reporting on behalf of my organization or client.

☐ I am reporting on behalf of someone else.

[Submit](#)

Never submit passwords through this form. Report malicious form

Combined strategy of legal and commercial channels to be considered: NTD and sale-purchase

Legal enforcement -v- commercial acquisition considerations

- A business-critical asset?
 - Proactive steps to cover the relevant brand asset(s) on other platforms and across relevant iterations?
- What do you know about the seller beyond marketplace credentials?
 - Seller owns a portfolio of your brand assets?
 - Transaction history and value? Beware of “wash trading”
- Want to remove the opportunity to buy asset from a platform?
- Potential pitfalls of litigation
 - Identification of owner
 - Intermediaries' IPR processes and responsiveness can vary
 - Jurisdiction
 - Timescales

The Vault



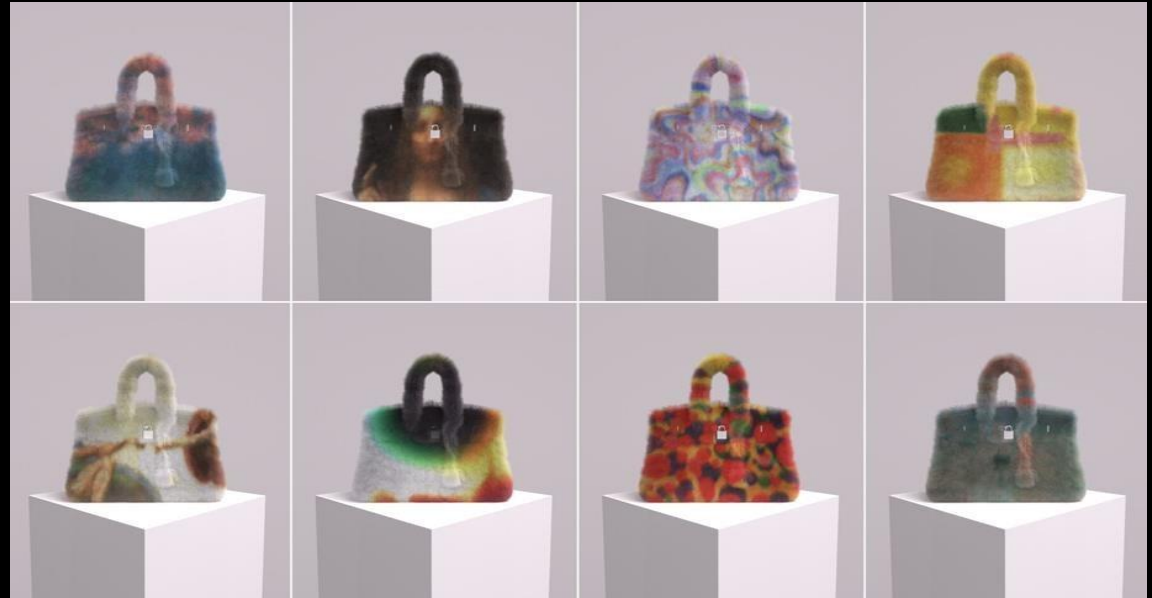
(Vault NFT) Jordan 1
Retro High OG Patent
Bred



(Vault NFT) Nike Dunk
Low Retro White Black

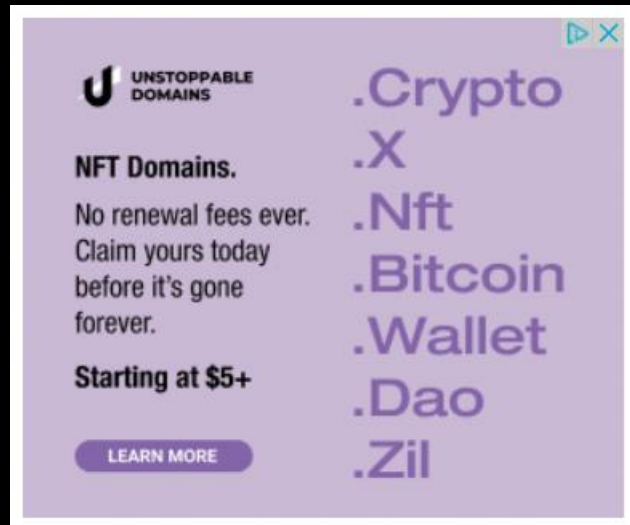


(Vault NFT) KAWS
Sacai Nike Blazer Low
Blue



Unstoppable Domains and Ethereum = main operators

- No renewal fees (generally), no UDRP, URS etc.
- Sold on NFT Marketplaces



UNSTOPPABLE DOMAINS

NFT Domains.
No renewal fees ever.
Claim yours today
before it's gone
forever.

Starting at \$5+

[LEARN MORE](#)

.Crypto
.X
.Nft
.Bitcoin
.Wallet
.Dao
.Zil

gibson.x
Protected

Protected names are reserved for brands, notable individuals, and trademark owners. [Learn more](#)

[Add to Cart](#)

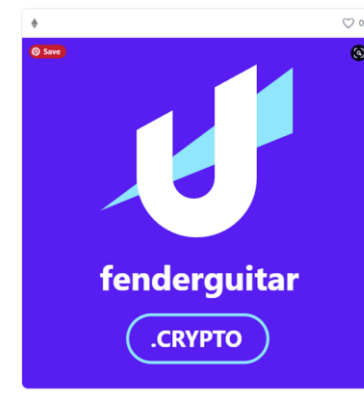
gibsonguitar.x
Protected

Protected names are reserved for brands, notable individuals, and trademark owners. [Learn more](#)

[Add to Cart](#)

Extensions for "fenderguitar"

.x ✓ \$100	.crypto ⊘	.coin ✓ \$40	.wallet ✓ \$20	.bitcoin ⊘
.888 ✓ \$20	.nft ⊘	.dao ✓ \$20	.zil ✓ \$20	.blockchain ⌚

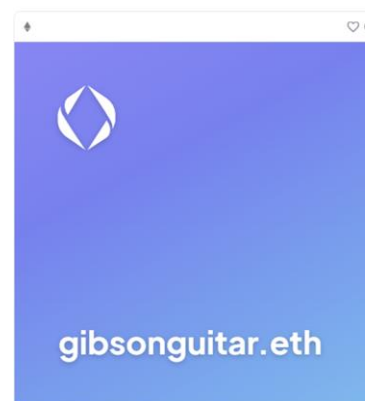


fenderguitar.crypto
Owned by A36E7D

[Make offer](#)

Price History

All Time



gibsonguitar.eth
Owned by 7E960B

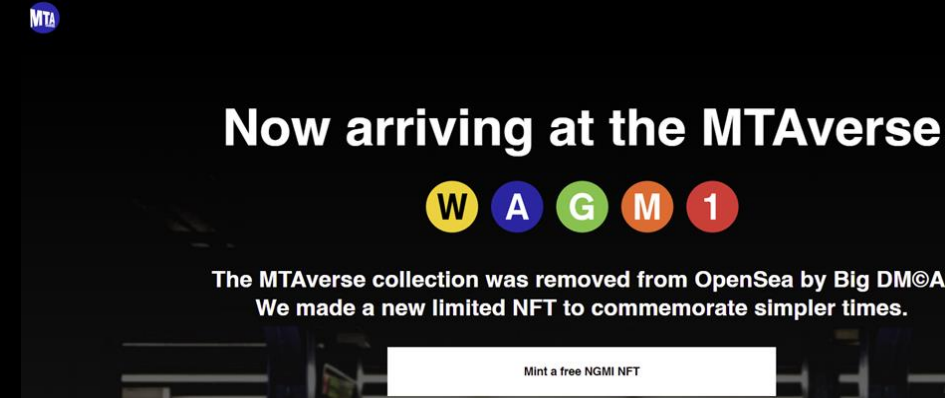
[Make offer](#)

Price History

All Time

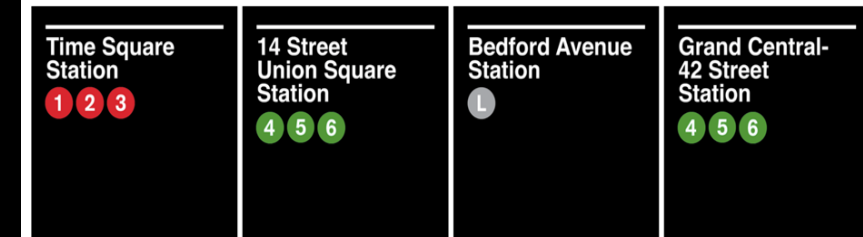
Traditional domains can also be targeted

- <https://www.mtaverse.wtf>
- NFT UDRP emerging for .com <comericabanknft.com>[D2021-1139]
- Domain ownership policy in place? Domain policy NFT-ready?



Collect the most iconic non-fungible train stations (NFTS)

Start spreading the news. For the first time in human history, you could be the proud owner of an iconic non-fungible train station, such as Grand Central Station, Times Square, Union Square, and more.



Aren't you just going to get DMCA'd?

You can DMCA deez nuts.

Key messages

- 1 NFTs need engagement with, or someone will eat your lunch
- 2 Multi-stakeholder engagement is essential for alignment
- 3 Strategy is key: navigation via rationalization
- 4 Existing IP: portfolios / practice might need a health check
- 5 Monitoring: check if online capabilities are NFT-adequate
- 6 Enforcement: competing interests of disruption -v- acquisition
- 7 Enforcement and exploitation of NTFs are living projects

Community action in the Metaverse

The metaverse is currently the Wild Wild West.

We think it needs regulation.

Would you be interested in joining Stobbs and Com Laude in a group to lobby appropriate bodies for regulation in this space?

Q&A

Julius –
julius@iamstobbs.com

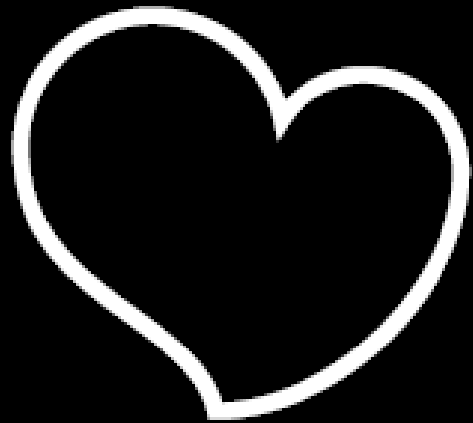
Esther Jolley –
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Richard Ferguson –
richard.ferguson@iamstobbs.com



Thank you



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Intangible Asset
Management