

Appendix A

NTEP Certification Mark License

THIS PAGE INTENTIONALLY LEFT BLANK

PFAU ENGLUND
NONPROFIT LAW, P.C.

3213 Driftwood Drive, #622 ♦ Alexandria, VA 22314
Phone: 703/304-1204 ♦ Fax: 252/336-4821
Internet: SPFAU@NONPROFITLAW.COM
ADMITTED IN VA AND DC

EMAIL MEMORANDUM

TO: Stephen Patoray, NCWM
FROM: Sandra Pfau Englund
RE: Recommended revisions to NTEP policies
DATE: August 24, 2006

You asked that I review and provide recommendations on how to strengthen compliance with NCWM's administrative policies regarding use of the NTEP certification mark. Following are my recommendations for revisions to the NCWM administrative policies. I previously provided and recommended NCWM use a certification license to regulate use of the mark. Attached are draft letters that may be used to transmit and request execution of the recommended certification mark license.

Let me know if you have questions or if I can assist further with this matter.

Recommended modifications to NCWM Administrative Policies

- A. Section N.5 Withdrawn Status -- add to the *Reasons for Withdraw*
- (4) Use of the NTEP certification mark without a license from NCWM;
 - (5) Misuse of the NTEP certification mark.
- B. Section N.7 Reactivation of Certificates of Conformance – revise paragraph “a” to state,
- a. An application for reactivation.... This will require an application, processing fee and evidence that the applicant is in full compliance with all NCWM administrative policies.
- C. Section U.2 Permissible Use of Statements and NTEP Logo – revise paragraph “b” to state,
- b. The NTEP statement or logo shall only be used by person(s) or organization(s) that have been granted a license by NCWM to use the statements and logo. All holders of Certificates of Conformance and companies that distribute goods that include certified devices may apply for a license. ~~The license is provided without fee or royalty.~~ All licensees must use the statements and logo only in conjunction with products that have been certified in accordance with this publication and NIST Handbook 44. The statement or logo shall never be used in any manner that could suggest or imply that certification extends to a product that is not NTEP certified.

When reference is made to the NTEP logo or an NTEP CC; it is essential to clearly identify which products are NTEP certified if a copy also includes products that are not certified. References to NTEP must always be located in close proximity to any references to a certified product when non-certified products are shown on the same page.

NCWM, in its sole discretion, determines whether its certified mark and statements are properly used in conformance with the license agreement and these policies. **Direct questions to the NTEP Director or refer to the NTEP Logo Use Guideline at www.ncwm.net.**

- D. Section T. Appeal and Review Process – revise the first bullet under T.1 by deleting the initial phrase, “At any stage in the evaluation process.” Add a fourth bullet that states, “A licensee may appeal withdrawal of the NTEP Certification Mark License Agreement”

Revise the last sentence of section T.2 (e) to state,
“A copy of the Director’s decision shall be delivered or mailed to the appellant, the Committee Chair, and (if appropriate) the laboratory.”

Questions from members of the BOD to Counsel with responses from Counsel:

Issues of Language in License:

- Item 3a on page two - This mentions that the only notification of changes to the contents of Pub 14 is changes placed on the website. I feel this should state that a notification of changes would be placed on the website. As currently worded, it could be read that the actual change or the contents of Pub 14 will be placed on the website. I do not think it is our intention to publish Pub 14 on the web.

Revised to provide that only a notice that Publication 14 has been revised will be included on the website. Licensees are responsible for obtaining a current copy of, and abiding by the rules included in, Publication 14 at all times.

- Item 3a on page two – first sentence: Strike “as currently exists or later revised.” They simply must comply with Pub 14.

I do not recommend that this change be made. Without this language, it is not as clear that licensees must comply with the publication, even if later revised.

- Item 3a on page two – last sentence: There should not be a conflict between Pub 14 and the license agreement, but if there is, Pub 14 is our standard and it should prevail.

I disagree. The license agreement is much easier to revise than Publication 14. The license may include minor procedural or other matters not specifically addressed in Publication 14. This language allows more flexibility for the organization.

- Item 3b on page two – first sentence: Change “device” to “type.” This term would be more appropriate for software, as an example.

I made this change. I am concerned, however, about the definition of “device” versus the definition of a “type.” Does “types” include all “devices”?

- Item 3b on page two – third sentence: “...in close proximity to the certified product” is ambiguous. Would “in conjunction with the certified product” be better?

I disagree with this change. The word “proximate” refers to the nearness or location of the logo to the product. The word “conjunction” can be interpreted as merely including the logo with the advertisement. The NCWM has had concerns with advertisement not including the logo near enough to the device/type to which the logo refers.

- Item 3d on page two – I am concerned about the statement of no changes to the mark. What about size, color, etc? See comment on Exhibit A below.

I do not believe the language of this provision needs to be changed. If NTEP has particular size/color requirements, these items can be included with Exhibit A. If there are no size or color requirements, this also can be stated with Exhibit A. However, the language of this provision makes clear that the logo itself...its design...cannot be changed by the licensee.

- Item 3d on page two and Item 5 on page four – Strike the word “confusingly.”

The phrase “confusingly similar” is a legal term of art with respect to trademarks. Therefore, I did not make this change.

- Item 3f on page two - Providing a sample of all logo usage could be a major effort. I would like to see the request limited to any documentation being reported as misusing the logo. I know this may sound lame but this open a statement makes me nervous. It simply states that copies of all usages could be requested without any additional justification. I know this is not the intent but a small clarification would help.

I recommend that this provision remain to enable the NCWM to request materials if needed to determine compliance with the license. The license is written for the NCWM's best interests and needs to "police" its trademark. I do not believe that the NCWM is going to abuse the need to get copies.

- Item 3f on page three – Do we need to define “third party”? Also, would our policy require a third party to have an agreement prior to use of the logo?

The phrase “third party” is a legal term of art to refer to any party not a party to this agreement. I believe any party using the logo needs to sign a license agreement.

- Item 4 on page three – Should all reference to royalties be omitted? What if we decide at a later date to charge royalties? Should we be considering fees now?

This provision was revised to reserve the right to the NCWM to charge fees or royalties in the future if desired.

- Item 6e on page four - The requirement to update all usage of the logo in 30 days would be very difficult and expensive. While I understand and agree with the intent of this requirement, for some of us it may be very difficult to change all documentation in the 30 days. In some cases we may have thousands of copies of documents that would need to be destroyed. I would suggest the wording be softened a little to provide flexibility.

This provision was revised to require any materials created or distributed after the rules have changed to be in compliance with the rules.

- Item 6e on page four – The implication here is compliance with all subsequent changes to any portion of Publication 14. Is that the intent or should it be specific to Pub 14 Administrative Policy?

My understanding is that the NCWM wants NTEP logo users to comply with all provisions of Publication 14.

- Item 10.c. Termination. – Should the license agreement be terminated if a CC holder fails to pay maintenance fees?

Yes. Is the requirement to pay maintenance fees a part of the requirements found in Publication 14? Or is this a new provision that should be added to the license agreement?

- Item 12.a. – Since the NCWM is incorporated in Virginia, should we reference Virginia law instead of Maryland law?

The choice of law is based on where the drafter, the NCWM, would like lawsuits handled. Montgomery County, Maryland was chosen because this is where the NCWM's management offices are located.

- Exhibit A – This needs to provide additional information such as size requirements like minimum size, limited colors, and font size. Also, I would suggest that the NTEP offer a "photo ready" logo to limit documentation use.

All sounds fine.

- Should there be an expiration of the license agreement?

Currently the license is written as “evergreen”...allowing it to continue until terminated. Including an expiration date would entail more administration...requiring staff to contact each license holder at the license expiration date to get them to sign a new license.

Issues of Implementation/Enforcement of License:

- If Handbook 44 changes and a device no longer meets Handbook 44, what happens to devices in the field bearing the logo? I can see changing advertising materials, etc, but what about manuals that came with the device, etc.?

Changes to Section 6e may handle this concern...requiring only that new manuals be revised.

- In general law-making you can't make a statute ex post facto (after the fact) so I agree that whatever we do now with regard to a license agreement will only have an impact on those who are willing to sign it today. Those who refuse to sign will not be subject to the provisions of the agreement.

I disagree. What this license does is clarify that the requirements of Publication 14 apply to all users of the NTEP logo. My recommendation is that any organization that wants to continue using the NTEP logo MUST sign the license agreement. The license is being created to enable the NCWM better enforcement of its current policies. It is not changing the requirements of Publication 14.

- My concern is the same enforceability. Who will find the violator and who will enforce the agreement after the violator is found? Are all companies that distribute NTEP devices required to sign the agreement? If not, what if they are the people putting on the logo.

NCWM staff, I assume, will be the “enforcers.” When a new user of the logo is found, or a violator is found, a contact will be made. To maintain its trademark rights in its logo, the NCWM must show that it is using its best efforts to “police” its mark.

- What do we do with the people that are using the logo that are not part of the program?

This is part of the reason for the license agreement. I understand that there are many users of the logo that are not Certificate holders. By requiring any user of the logo to sign the license, the NCWM has a way to bring all logo users into compliance with its rules.

- To simplify matters when a COC is issued to the applicant we should also include an application for use of the NTEP logo stating the conditions of use, which must be signed and returned if the applicant intends to use the logo.

Yes, agreed.

- Item 6.e. requires compliance with Pub 14 changes within one month of those changes being made. How will the NCWM notify agreement holders of changes to Pub 14 that may affect the license agreement?

See change to 3a. The suggestion is that only a notice on the NCWM's website stating that a change to Pub 14 has been made be required.

Sandra Pfau Englund
Pfau Englund Nonprofit Law, P.C.

Revised Draft document based on information above from January 6, 2007

**National Conference on Weights and Measures (NCWM)
NTEP Certification Mark License Agreement**

This License Agreement (“License”) is entered into by and between the National Conference on Weights and Measures, Inc., a Virginia nonprofit, tax-exempt corporation with its principal office located at 1524 Shady Grove Road, #130, Rockville, Maryland 20850 (known in this License as “NCWM”), and

Company name: _____
Company address: _____
Contact name: _____ Contact phone: _____
Contact email: _____

known in this License as the “Licensee”.

Background

The NTEP (National Type Evaluation Program) name and logo (the “Certification Mark”) is a Certification Mark registered with the United States Patent and Trademark Office and owned by the National Conference on Weights and Measures (“NCWM”). As the owner of the Certification Mark, NCWM has the exclusive right to authorize the parties that may use the Certification Mark and how the Certification Mark may be used. NCWM also is required to prevent the misuse of the Certification Mark.

Generally NCWM authorizes holders of Certificates of Conformance, and third party purchasers of certified devices, to use the Certification Mark provided such parties enter into a Certification Mark licensing agreement with NCWM and agree to use the Certification Mark in conformance with NCWM’s policies.

WHEREAS, NCWM is the owner of the trademark shown in Exhibit A and referred to as the “Certification Mark” in this agreement, which Certification Mark is registered with the United States Patent and Trademark Office (Registration No. 2397670) and is used to certify that an apparatus has been found through the National Type Evaluation Program to conform to the design requirements and be capable of meeting the performance requirements for goods of the particular type as set forth in *Handbook 44, Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices*, of the National Institute of Standards and Technology; and,

WHEREAS, Licensee desires to obtain a license to use the Certification Mark with respect to the distribution or sale of a certified device;

NOW THEREFORE, the parties agree as follows:

AGREEMENT

1. **License grant.** Provided Licensee complies with all the terms, conditions and policies relating to the use of the Certification Mark, NCWM grants Licensee a limited, non-exclusive, world-wide, revocable, non-transferable royalty-free license to use the Certification Mark on or in connection with a certified device.
2. **Reservation of rights.** Except for the limited license rights granted in this agreement, NCWM reserves to itself all right, title and interest in and to the Certification Mark.
3. **License requirements and limitations.** The license granted in Section 1 is granted subject to the following requirements and limitations:
 - a. **Compliance with the NCWM National Type Evaluation Program Administrative Policy, Publication 14 (“Publication 14”).** Licensee shall comply with all requirements in Publication 14, as currently existing or later revised. Licensee is solely responsible for keeping itself informed of the current requirements in Publication 14 by reviewing from time to time ~~the version~~ the information posted on the NCWM website. NCWM is under no obligation to inform Licensee of changes to Publication 14 other than by posting a notice on its website that the publication has been revised. If Licensee does not agree with any changes to Publication 14, Licensee’s sole remedy is to terminate this Agreement as provided herein. If the provisions of Publication 14 and this License conflict, the terms of this License shall control.
 - b. **Certification Mark used with certified devices only.** Licensee shall only use the Certification Mark in conjunction with devices types that have been certified in accordance with Publication 14 and NIST Handbook 44, and that hold an active NTEP Certificate of Conformance. It is essential that when a device is included as part of a product that it be clear that only the device, and not the entire product, is certified. When a certified product is shown on the same page with a non-certified product, the Certification Mark must be located in close proximity to the certified product. Licensee understands and agrees that NCWM shall determine, in its sole discretion, if use of the Certification Mark is inappropriate or unclear, and Licensee agrees to revise the use or placement of the Certification Mark, or remove the Certification Mark, as directed by NCWM.
 - c. **Advertising Statements.** Licensee understands and agrees that all statements used in conjunction with the Certified Mark must comply with Appendix C of Publication 14. Licensee understands and agrees that NCWM shall determine, in its sole discretion, if the statements used comply with NCWM’s policies, and Licensee agrees to revise or remove statements that NCWM determines do not comply with its policy.
 - d. **Certification Mark may not be modified.** Licensee shall not modify, enhance or change the Certification Mark or combine it with another mark, or use, adopt or register any marks confusingly similar to the Certification Mark.
 - e. **Certification Mark may not be used:** (i) in any manner that is likely to reduce, diminish or damage the goodwill, value or reputation associated with the Certification Mark; (ii) in any manner as would violate the rights of any third parties; (iii) in any manner as would result in any third party claim or any governmental investigation, claim or proceeding alleging unlawful or improper use of the Certification Mark; (iv) on or in connection with any products or services other than the certified devices and promotional materials pertaining to the certified devices; or (v) in any manner other than as a certification mark.

- f. **Inspection.** Licensee will, upon NCWM’s request and at no cost to NCWM, provide NCWM with samples of all uses of the Certification Mark by Licensee.
 - g. **Withdrawn Certification.** If at any time the Certificate of Conformance is withdrawn from a device, Licensee will immediately cease all use of the Certification Mark. Licensee also will notify all distributors and customers who may have or promote formerly certified devices that the Certificate of Conformance has been withdrawn and the use of the Certification Mark must cease immediately.
 - h. **Noncompliance.** Licensee shall immediately and at its sole cost and expense correct any usage of the Certification Mark that NCWM regards as failing to comply with the requirements of this Agreement or Publication 14.
 - i. **Third-Party Infringement.** Licensee will promptly notify NCWM if it becomes aware of any infringement of the Certification Mark by a third party. Licensee shall have neither the right nor the obligation to prosecute any infringement claims against third-party infringers.
 - j. **Use of NCWM.** Nothing in this Agreement gives Licensee the right or license to use the marks “National Conference of Weights and Measures” or “NCWM” apart from the Certification Mark as shown in Exhibit A.
 - k. **Unauthorized Use.** Licensee acknowledges that if it engages in any unauthorized use or reference to the Certification Mark, its right to continue using the Certification Mark may be terminated and that irreparable injury will occur if such unauthorized use continues.
4. **License fees and royalties.** While this license is granted ~~fully paid and without royalty,~~ NCWM reserves the right to charge fees or royalties in the future.
 5. **NCWM ownership of Certification Mark.** Licensee acknowledges the National Conference of Weights and Measures exclusive right, title and interest in and to the Certification Mark and acknowledges that nothing in this Agreement shall be construed to provide to Licensee any rights in the Certification Mark except as expressly provided in the Agreement. Licensee acknowledges that its use of the Certification Mark will not create in it any right, title or interest in the Certification Mark other than the limited license rights granted to Licensee in this Agreement and that all such use of the Certification Mark and the goodwill generated thereby will inure to the benefit of the NCWM. Licensee warrants and represents that: (a) it will not at any time challenge the NCWM’s right, title or interest in the Certification Mark or the validity of the Certification Mark or any registration of the Certification Mark; (b) it will not do or cause to be done or omit to do anything, the doing, causing, or omitting of which would contest or in any way impair or tend to impair the rights of the NCWM in the Certification Mark; (c) it will not represent that it has any ownership in or rights with respect to the Certification Mark; and (d) it will not, either during or subsequent to the term of this Agreement, adopt, use or register any certification mark, trademark, service mark, trade name, insignia or logo that is confusingly similar to or a colorable imitation of the Certification Mark or any of the NCWM’s other marks.
 6. **Representations of Licensee.** Licensee represents and warrant that:
 - a. It is duly organized and in good standing under the laws of its jurisdiction of organization;
 - b. Licensee has taken all actions that are necessary or advisable in order for it to enter into this Agreement;
 - c. The person executing this Agreement on behalf of Licensee is authorized to do so;

- d. The Agreement, upon its execution by Licensee (and assuming due execution by NCWM) shall be the binding obligation of Licensee, enforceable in accordance with its terms;
 - e. Licensee will immediately take all necessary action to comply with all changes to Publication 14. All materials and publications will comply with the requirements of Publication 14 at the time that the publications are developed, printed and distributed. Any advertisements that include the NTEP logo must at all times comply with the requirements of Publication 14 in effect at the time the advertisement is published. within one (1) month from the date such changes are made;
 - f. Licensee will not challenge NCWM's rights under its National Type Evaluation Program, Publication 14, or this Agreement and will not challenge the validity of any NCWM mark.
7. **No warranty by the NCWM. The NCWM provides the license granted in this Agreement without warranty of any kind. TO THE MAXIMUM EXENT PERMITTED BY LAW, THE NCWM DISCLAIMS ALL EXPRESS , IMPLIED AND STATUTORY WARRANTIES.**
8. **Limitation of Liability.** IN NO EVENT SHALL NCWM BE LIABLE FOR LOST PROFITS OR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT REGARDLESS OF THE LEGAL THEORY UPON WHICH SUCH CLAIM IS BASED AND EVEN IF THE NCWM HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.
9. **Indemnity.** Licensee agrees to defend, indemnify and hold NCWM and its respective representatives, employees, officers, directors and agents harmless against all claims, suits, cost, damages, judgments, attorney's fees, settlements or expenses incurred, caused by, arising from or relating to any breach of this Agreement by Licensee or claimed, obtained or sustained by any third party, whether for personal injury, misrepresentation, or otherwise arising out of or relating to the manufacture, advertising, promotion, use, marketing or sale of the certified devices, provided such claims are not caused by NCWM's negligence or breach of this Agreement.
10. **Effective date, term and termination.**
- a. **Effective date.** This Agreement shall commence and the license granted under the Agreement shall become effective (the "Effective Date") upon the execution of this agreement by both parties.
 - b. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue until terminated by a party as provided in this Agreement.
 - c. **Termination.**
 - i. **Termination by Licensee.** Licensee may terminate this Agreement at any time by providing written notice to NCWM and by discontinuing all use of the Certification Mark. Termination in this manner shall be effective upon receipt of the written notice by NCWM or at such time (not to exceed 30 days after the date notice is received) specified in the notice from Licensee.
 - ii. **Termination by NCWM.** NCWM may terminate this Agreement upon thirty (30) days notice if Licensee breaches any provision of this Agreement and fails to cure such breach within such thirty (30) day period. NCWM also may terminate this Agreement upon thirty (30) days notice if it discontinues use of the Certification Mark or modifies the design of the Certification Mark.

- iii. **Consequences of termination.** Upon termination of this Agreement, the license granted shall immediately terminate. Licensee will immediately discontinue all use of the Certification Mark and shall destroy all materials in their possession containing the Certification Mark and shall certify to the destruction of such materials if the NCWM requests that they do so.
11. **Compliance with laws.** Licensee will at all times comply with all laws, regulations, ordinances, rules and orders that are applicable to it in connection with its manufacture and sale of NTEP certified devices and the operation of its business generally.
 12. **Miscellaneous.**
 - a. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Maryland as applied to agreements entered into and fully performed therein by residents thereof. Both parties submit to jurisdiction in Maryland and further agree that any cause of action arising under this Agreement shall be brought in a court in the County of Montgomery, Maryland.
 - b. **Severability; Headings.** If any provision within this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. Headings are for reference purposes only and in no way define, limit, construe or describe the scope or extent of such section.
 - c. **Independent contractors.** The parties are independent contractors, and no agency, partnership, joint venture, employee-employer or franchisor-franchisee relationship is intended or created by this Agreement. Neither party shall make any warranties or representations on behalf of the other party.
 - d. **Notice.** NCWM may give notice to Licensee by personal delivery, mail, courier, facsimile or e-mail to Licensee's address as identified in this Agreement. Licensee may give notice to NCWM by personal delivery, mail, courier, or facsimile to NCWM's physical address as identified at www.ncwm.net or electronically by e-mail to ncwm@mgmtsol.com. Notice shall be deemed given: upon personal delivery; if sent by fax, with confirmation of correct transmission, on the next business day after it was sent; upon the courier's confirmed delivery if sent by courier; and if sent by mail with proper postage prepaid, five (5) days after the date of mailing. Notices by e-mail shall be deemed given by the end of the business day on which they are sent.
 - e. **Entire agreement; Waiver.** This Agreement sets forth the entire understanding and agreement of the parties and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter of this Agreement. This Agreement may be changed only by a writing executed by both parties that expressly states that it is changing the provisions of this Agreement. The waiver of a breach of any provision of this Agreement will not operate or be interpreted as a waiver of any other or subsequent breach.
 - f. **Assignment.** Licensee may not transfer its rights or obligations under this Agreement in whole or in part to any third party without the prior written consent of NCWM and any attempt to do so is void.
 - g. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument,

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

For LICENSEE:

For NCWM:

Signature: _____ Signature: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Question from NCWM member with responses from Counsel January 15, 2007

- Paragraph 3 – notice of changes to Publication 14 – a proposed revision to this section provides that notice of any changes to Publication 14 will be placed on the NTEP website. NTEP may also want to consider placing the wording of any changes on the website.
- However, it should be noted that the use of the NTEP logo by certificate holders and others is a privilege, not a right. Therefore, I would not consider requiring licensees to periodically purchase the manual to keep abreast of the requirements for certificate holders to be overly burdensome. This is made truer by the fact that there is currently no fee associated with the license. NTEP must have methods in place to cover its costs of administering the program.
- Paragraph 3(i) – requiring licensees to notify a licensor of any known misuse of a mark is common to license agreements. The value of the NTEP mark is only as good as the enforcement of its proper use. Certificate holders may be more aware of the misuse of the mark by third parties than NTEP. Requiring licensees to call, e-mail or write NTEP if they become aware of a misuse is not overly burdensome and protects the value of the NTEP mark for all users of the mark.
- Paragraph 6(e) – a proposed revision has been made regarding the timeframe for revising publications.
- Paragraph 6(f) – this provision requires licensees, who are gaining the privilege to use the NTEP registered trademark, not to challenge NCWM’s rights under its National Type Evaluation Program, Publication 14, or the license agreement and also not to challenge the validity of any NCWM mark. Most license agreements require the licensee not to challenge the licensor’s rights to its trademarks. This requirement, at a minimum, should remain in the agreement. NCWM may consider whether to remove the broader requirements not to challenge NCWM’s rights under the program itself or Publication 14. It should be noted, however, that using the NTEP trademark is a privilege not a right.
- Paragraph 10(c)(iii) – Once the license is revoked, NCWM must require that the Certification Mark no longer be used. Language regarding deleting the mark from any new materials, particularly advertising materials, similar to paragraph 6(e) may be considered.

Sandra Pfau Englund
Pfau Englund Nonprofit Law, P.C.
Admitted in VA and DC. Practice otherwise limited to matters before federal agencies such as the IRS.

Exhibit A

Certification Mark

