

**Memorandum of Understanding for
the Management and Administration of Internet Domain Names
in Hong Kong**

THIS **MEMORANDUM OF UNDERSTANDING** (the "**Memorandum**") is made in the Hong Kong Special Administrative Region on April 22, 2002 by and between:

- (1) **THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION** ("**HK Government**"); and
- (2) **HONG KONG INTERNET REGISTRATION CORPORATION LIMITED**, a company incorporated and existing under the laws of Hong Kong with its registered office at Room 306A, Tech Centre, 72 Tat Chee Avenue, Kowloon Tong, Kowloon, the Hong Kong Special Administrative Region ("**HKIRC**").

(HK Government and HKIRC, each a "**Party**" and collectively, the "**Parties**".)

WHEREAS, HKIRC is a not-for-profit company limited by guarantee and not having a share capital incorporated on December 14, 2001;

WHEREAS, prior to March 25, 2002, all Internet domain names under ".hk" country code top level domain in English or its other equivalents (collectively, "**.hk domain names**") were managed and administered by Joint Universities Computer Centre Limited ("**JUCC**") through its wholly-owned subsidiary, Hong Kong Domain Name Registration Company Limited ("**HKDNR**");

WHEREAS, pursuant to the Sale and Purchase Agreement dated March 15, 2002 between JUCC and HKIRC, on March 25, 2002, JUCC transferred all the issued shares in HKDNR to HKIRC and relinquished any interest arising from its management and administration of .hk domain names (the "**Operational Transfer Date**");

WHEREAS, HK Government is desirous to designate HKIRC to manage and administer .hk domain names as from the Operational Transfer Date upon the terms and conditions herein;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties agree as follows:

1. Designation

With effect from the Operational Transfer Date, HK Government hereby designates HKIRC, and HKIRC hereby accepts HK Government's designation, to manage and administer, or cause to be managed and administered the .hk domain names, subject to the terms herein.

2. Principles of Management and Administration

HKIRC acknowledges, agrees and confirms that the management and administration of .hk domain names concern public interest. HKIRC shall manage and administer .hk domain names in accordance with the following principles and such other principles as HK Government may set from time to time:

- (a) conducting its activities in an open and transparent manner that ensures wide public access to all relevant information;
- (b) contributing to the sound development of the Internet community in the Hong Kong Special Administrative Region and the Internet community worldwide; and
- (c) complying with HK Government's public policy objectives.

3. HKIRC's Responsibilities

In addition to its other obligations hereunder, HKIRC shall have the following responsibilities:

- (a) to implement an alternative dispute resolution arrangement for the resolution of disputes arising from the allocation of .hk domain names;
- (b) to abide by the technical requirements set forth by Internet Corporation for Assigned Names and Numbers ("ICANN") from time to time with respect to the management and administration of .hk domain names;
- (c) to assist HK Government in formulating policy relating to the allocation of IP addresses in Hong Kong; and
- (d) to handle other matters entrusted by HK Government from time to time.

4. Reserved Rights

4.1 No intellectual property right or any other property rights shall be acquired by or vested in HKIRC in connection with:

- (a) HK Government's designation of HKIRC to manage and administer .hk domain names; and
- (b) HKIRC's management and administration of .hk domain names.

4.2 HKIRC shall not claim any intellectual property right or any other property right in or to .hk domain names or in any information or data in connection with or arising from the management and administration of .hk domain names.

- 4.3 HKIRC agrees to assign to HK Government and/or its designee, HKIRC's present and future intellectual property rights and other property rights, if any, arising from or in connection with HKIRC's management and administration of .hk domain names.

5. **Re-delegation of .hk ccTLD to HKIRC**

The Parties shall liaise and arrange with ICANN for its re-delegation of the management and administration of .hk domain names from JUCC to HKIRC.

6. **Subcontracting**

HKIRC may sub-contract part or all of its technical or administrative operation relating to the management and administration of .hk domain names to one or more third parties, provided:

- (a) the sub-contractor meets the technical qualifications set forth by ICANN from time to time relating to the registry operation of Internet domain names;
- (b) the sub-contractor shall be bound by and subject to HKIRC's responsibilities and obligations hereunder; and
- (c) the sub-contractor shall not further sub-contract part or all of such technical or administrative operation to any entity without the prior written consent of HK Government.

7. **Termination**

HK Government may terminate the designation of the HKIRC hereunder upon ninety (90) days written notice to HKIRC if, in the opinion of HK Government:

- (a) HKIRC is unable to continue to manage and administer .hk domain names; or
- (b) HKIRC commits a material breach of its obligations hereunder.

8. **Post Termination Obligations**

8.1 In the event that the designation of the HKIRC is terminated pursuant to Article 7:

- (a) HKIRC shall, at its own cost, take all necessary steps and execute all necessary documents as HK Government may direct to transfer the management and administration of .hk domain names, and all information and data relating thereto or in connection therewith, including but not limited to all information and data of .hk domain name registrants, to such party as HK Government may designate; and
- (b) if HKIRC or any of its affiliates or subsidiaries has registered or applied to register in its name the mark .hk with the Hong Kong Trade Marks Registry, HKIRC or its relevant affiliate or subsidiary (as the case may be) shall assign without consideration all right, title and interest in and to the mark .hk to such party as HK Government may designate and HKIRC shall cease to use or have any right in or to the mark .hk.

8.2 HKIRC shall not be entitled to any compensation from HK Government or such party as HK Government may designate to take over the management and administration of .hk domain names in the event of the termination of designation of HKIRC for the management and administration of .hk domain names.

9. **Governing Law**

The validity, interpretation and implementation of this Memorandum shall be governed by the laws of the Hong Kong Special Administrative Region.

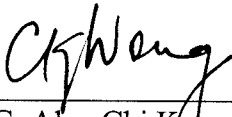
10. **Miscellaneous**

10.1 This Memorandum shall become effective upon execution.

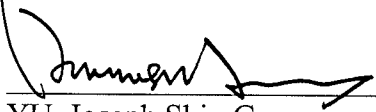
10.2 This Memorandum shall be binding upon, and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties have caused this Memorandum to be executed by their respective duly authorized representatives as of the date first above written.

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

By: 
Name: WONG, Alan Chi Kong
Title: Director of Information Technology Services

HONG KONG INTERNET REGISTRATION CORPORATION LIMITED

By: 
Name: YU, Joseph Shin Gay
Title: Chairman