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Internet Corporation for Assigned Name and Numbers
International Square
1875 I Street, NW, Suite 501
Washington D.C., 20006

Via Electronic Mail to 4gtld-guide@icann.org

Re: International Business Machines response to version 4 of the Draft Applicant Guidebook for the new gTLD (generic top-level domain name) program dated May 28, 2010

International Business Machines (IBM) appreciates the opportunity afforded by Internet Corporation for Assigned Names and Numbers (ICANN) to comment on version 4 of the Draft Applicant Guidebook for new gTLD (generic top-level domain) program, dated May 28, 2010.

Brands play a vital role in the global economy. International protection of a brand is an essential part of any brand owner investment in a brand, but especially internationally recognized brands. The IBM brand is a vital asset in the IBM intellectual property portfolio. IBM encourages ICANN to continue with their spirit of openness and transparency with implementation of the new gTLD program.

IBM has limited our response to:

- Module 3 Dispute Resolution Procedures, Features 3.3.2 and 3.3.7;
- Module 5 Transition to Delegation, Feature 5.4.1;
 New gTLD Agreement Proposed Draft (v.4), Section 2.9;
 Trademark Clearinghouse, Features 2, 8 and 10;
 Draft Uniform Rapid Suspension System ("URS"), Features 10.2,
 11.4 and 11.5;
 Trademark Post-Delegation Dispute Resolution
 Procedure(TRADEMARK PDDRP), Features 6 and 15; and,
- Module 6 Top-Level Domain Application - Terms and Conditions, Sections
 9.0 and 11.b.

Module 3 Dispute Resolution Procedures

Feature 3.3.2: Consolidation of Objections

IBM Comments on Feature 3.3.2: IBM recommends that if objections are consolidated before responses are filed, an Applicant should pay one response filing fee. IBM further recommends that if objections are consolidated after responses are filed, an Applicant should be entitled to a refund of some of the response fees paid. In the latter case, the refund may not necessarily be all fees in excess of a single response fee if further administrative steps have occurred.

Feature 3.3.7: Dispute Resolution Costs

IBM Comments on Feature 3.3.7: IBM believes that clarification is needed as to what costs paid by a prevailing party are refunded, including whether the costs for the panel are refunded and whether the fees for objections and responses (described as nonrefundable in Features 3.2.2 and 3.2.4) are, in fact, refundable (as appropriate) to a prevailing party.

Module 5 Transition to Delegation

Feature 5.4.1: What is Expected of a Registry Operator

IBM Comments on Feature 5.4.1: IBM supports the proposal that a registry operator must implement either a “Sunrise Period” or a “Claims Service”, but is not required to implement both. Operation of a Sunrise Period is likely unnecessary for a .brand registry operator planning to use its gTLD as a private registry, so it should have the option to implement only a Claims Service rights protection mechanism.

New gTLD Agreement Proposed Draft (v.4)

Feature 2.9: Use of registrars

IBM Comments on Feature 2.9: ICANN has noted section 2.9 as “possible implementation language” regarding separation of registry and registrar. In previous submissions, IBM has noted that the concerns over common ownership of registries and registrars in the open domain market do not apply to private registries (such as a .brand for private use). Consequently, we are pleased that this concern has been noted and that ICANN has not foreclosed the issue as to whether one entity may act as both a registry and registrar in all circumstances.

Trademark Clearinghouse

Feature 2: Treatment of Marks

IBM Comments on Feature 2: IBM believes additional clarification is needed on the meaning of “substantive review” as it pertains to eligibility for Sunrise Services, more particularly, whether “substantive review” includes (1) absolute grounds (2) relative grounds or (3) absolute grounds plus an opposition period. Trademarks issued in many jurisdictions (e.g., from some European national trademark offices) could be excluded from eligibility for Sunrise Services if “substantive review” does not include examination based only upon “absolute grounds.” Moreover, the trend for trademark examination in several jurisdictions such as Europe, is moving away from a relative ground review and towards solely an absolute ground review, leaving relative ground review to oppositions. It would be anomalous if such trademarks were only eligible for Sunrise Services if they have been unsuccessfully opposed.

Feature 8: Mandatory Pre-Launch Services

IBM Comments on Feature 8: IBM is concerned that the Identical Match definition remains too exclusive in including only text marks and further recommends that design marks with a slight design element be included in the “Identical Match” definition, as we have previously submitted. ICANN should further define the term “text mark” to avoid misinterpretation.

Feature 10: Costs of Clearinghouse

IBM Comments on Feature 10: IBM agrees that the cost of running the Trademark Clearinghouse (TC) should be borne by the parties utilizing the service. However, IBM recommends that the cost of running the TC should be nominal and that the cost of establishing the TC should be assumed by ICANN. Every study indicates that the new gTLD program will be a significant cost to brand owners for enforcement and cessation of brand misuse, forecasting increases in the costs of their current enforcement programs by at least an order of magnitude. The cost of the TC, a mechanism intended to moderate the increased risk to brand owners, should be shared with the new registries via a portion of the funds collected by ICANN for gTLD applications and maintenance.

Draft Uniform Rapid Suspension System (“URS”)

Feature 10.2: Remedy

IBM Comments on Feature 10.2: IBM recommends that a successful complainant should also have the right to cancel the domain, in order to avoid causing damage to the goodwill associated with its trademark through having the

contested url containing its mark resolve to a website not under its control for a lengthy period of time.

Feature 11.4: Abusive Complaints

IBM Comments on Feature 11.4: IBM notes with appreciation the clarity provided for identifying an “abusive” complaint and for identifying “deliberate material falsehood.” IBM believes that clarification on what is considered “material” is also required.

Feature 11.5: Abusive Complaints

IBM Comments on Feature 11.5: IBM agrees that two findings of “deliberate material falsehood” by a party should permanently bar the party from utilizing the URS.

Trademark Post-Delegation Dispute Resolution Procedure (TRADEMARK PDDRP)

Feature 6: Standards

IBM Comments on Feature 6: IBM is concerned that proof of “bad faith” intent coupled with “clear and convincing” evidence is a particularly high burden of proof for a complainant to overcome. IBM notes that the added clarification, by way of examples, regarding infringement at the second level is helpful in providing guidance.

Feature 15: Costs

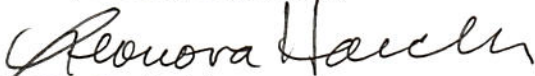
IBM Comments on Feature 15: IBM agrees that if the Complainant is the prevailing party, the registry operator is required to reimburse Complainant for all fees incurred, but if the registry operator is the prevailing party, the registry operator may recover its filing fees.

Module 6 Top Level Domain Application - Terms and Conditions

IBM Comments on Section 9.0: There is no basis to give ICANN unfettered permission to use an Applicant’s logos as this section currently provides. It is basic trademark law that the value and distinctiveness of a trademark, such as a logo, can be destroyed through unregulated use by parties other than the trademark owner. If ICANN requires the right to use an Applicant’s logo, it should enter into a proper trademark license with the trademark owner.

IBM Comments on Section 11.b: The confidentiality standard in this provision is insufficient. Rather than state that ICANN will use "reasonable efforts," IBM proposes that the section should state that ICANN will have "sufficient agreements in place" to ensure confidentiality is maintained.

Respectfully submitted,



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