



Office of the Associate General Counsel,
Trademarks & Licensing
Intellectual Property Law

North Castle Drive
Armonk, NY 10504 1785

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Via Electronic Mail

comments-base-agreement-05feb13@icann.org

IBM Corporation comments in response to “*Revised New gTLD Registry Agreement Including Additional Public Interest Commitments Specification*” (February 5, 2013).

IBM thanks the Internet Corporation for Assigned Names and Numbers (“ICANN”) for the opportunity to provide input and comments regarding the Revised New gTLD Registry Agreement including Additional Public Interest Commitments Specification (“Agreement”).

We focus our response on sections 4.3, 4.5 and 7.11 of the Agreement.

The “Ownership Rights” section 7.11 of the Agreement states that “nothing contained in this Agreement shall be construed as establishing or granting to Registry Operator any property ownership rights or interests in the TLD or the letters, words, symbols or other characters making up the string.” Section 4.3 of the Agreement, entitled “Termination by ICANN”, delineates various circumstances under which ICANN may terminate the Agreement. Upon termination, section 4.5, entitled “Transition of Registry upon Termination of Agreement”, requires the Registry Operator to turn over, either to ICANN or to a successor registry operator designated by ICANN, all data regarding operations of the registry so as to enable the successor to maintain operations and registry functions.

A number of applicants have filed applications for TLD strings based upon their established trademark rights (i.e., applications for “.BRAND” TLDs). In many cases, the applicant has also stated that its purpose is to operate a “closed” registry under its .BRAND” TLD (with limited domain name registrants) as an extension to or enhancement of its current business operations. While section 7.11 provides that the Registry Agreement does not *establish* any ownership right in such strings, the Agreement should also not be constructed to permit established ownership rights to be compromised or even taken away where this is no real need to do so.

The concern is with the ability of ICANN to continue operation of a .BRAND registry under section 4.5 following termination of a registry agreement, and the potential detrimental effect on the trademark that is the subject of the .BRAND string.

It is important for trademark owners to strictly control and closely monitor use of their trademarks. In common law jurisdictions such as the United States, failure to exercise appropriate control over the use of one's trademarks may lead to loss of distinctiveness and ultimately loss of trademark rights. Also, if a .BRAND registry is re-purposed to operate in a manner inconsistent with the purpose originally envisioned by the trademark owner / registry applicant, or even if it is operated by a different source than the trademark owner, the public could easily become confused about the true ownership of the trademark in the .BRAND string. In the worst case scenario, permitting a .BRAND registry to be operated by a third party who is not subject to the control of the trademark owner could damage the trademark owner's reputation and lead to loss of rights in the trademark.

To avoid the foregoing, IBM proposes that the provision regarding the change in control of a TLD following termination of the Agreement be modified to accommodate the unique situation of a closed .BRAND registry. In the event that the Agreement with the operator of a closed .BRAND registry is terminated, it should be an option that the TLD can be decommissioned, with a short wind down period if required to maintain the stability of the DNS. Due to the limited number or scope of domain name registrants, decommissioning a closed .BRAND registry will not be disruptive to the general public.

We have only considered the option of decommissioning a registry following termination of the Registry Agreement in the context of a closed .BRAND where the potential damage to the trademark owner far outweighs any possible disruption to the public. Trademark owners of open .BRAND registries could face similar issues, and it may be appropriate to invite further debate.

IBM thanks ICANN for providing the public an opportunity to submit comments regarding the Revised New gTLD Registry Agreement including Additional Public Interest Commitments Specification. We look forward to working with the ICANN on forthcoming open for comment publications.

Respectfully Submitted,

Leonora Hoicka
Chief Trademark Counsel
Intellectual Property Law
IBM Corporation
leonora@us.ibm.com
Voice: 1-914-765-4353
Fax: 914-765-4390

Lisa J. Ulrich
Senior Attorney
Intellectual Property Law
IBM Corporation
lisaulrich@us.ibm.com
Voice: 914-765-4595
Fax: 914-765-4390