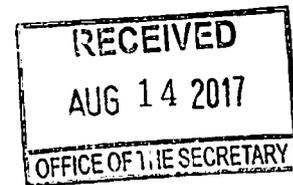


August 3, 2017

DIGIMARC 

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549



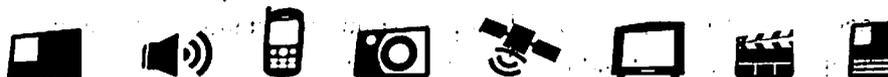
Re: Proposed Rule Change, File Number SR-BatsBZX-2017-34

Digimarc Corporation, which is listed on The NASDAQ Stock Market, appreciates the opportunity to comment on the Bats Exchange proposal to participate in the closing auction for our publicly-traded shares. This is a potentially disruptive interference in a process that is critical to Digimarc and to its shareholders. Accordingly, Digimarc urges the Securities and Exchange Commission to disapprove the proposal.

Digimarc chose to list on the NASDAQ Stock Market for many reasons. NASDAQ's is the market best known for supporting companies like ours that value innovation, technology and growth. NASDAQ's electronic marketplace helped lead and modernize the markets and made NASDAQ a global leader in market and regulatory technology. We rely on NASDAQ for intelligence about trading in our stock, and we communicate regularly with NASDAQ about market developments that may impact our shareholders. In addition, NASDAQ offers Digimarc like us a wide range of services to assist in performing critical functions, including investor relations and board support. Digimarc's NASDAQ listing also benefits its shareholders. NASDAQ's competing market maker model helps ensure that investors have a deep and liquid market to purchase its stock at the most reliable price.

Digimarc has great confidence in the NASDAQ Official Closing Price and it is concerned that the Bats proposal will undermine that price and harm its investors. The NASDAQ Official Closing Price is determined by the NASDAQ Closing Cross, a proven and tested electronic process that collects the maximum available liquidity in a single place. This is a stark contrast from the fragmentation that exists during the bulk of the trading day when Digimarc's shares trade on many exchanges and other non-exchange venues.

While Digimarc understands that this fragmentation is designed to promote competition and control trading costs, Digimarc opposes fragmentation during the NASDAQ Closing Cross. The strength and integrity of the NASDAQ Closing Cross and the NASDAQ Official Closing Price are simply too important to Digimarc and to its shareholders. Digimarc can see no way in which the Bats proposal can improve the process for setting the closing price in Digimarc's shares. Instead, by free-riding on the NASDAQ Closing Cross and diverting orders away from it, the



Bats proposal can only undermine the NASDAQ Closing Cross and in doing so harm Digimarc's shareholders. The potential harm to all of Digimarc's shareholders from an inaccurate NASDAQ Official Closing Price far outweighs the possibility for active traders to save a few cents on execution costs.

For the reasons stated above, Digimarc asks the Securities and Exchange Commission to disapprove the Bats proposal.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles Beck". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Charles Beck

Chief Financial Officer

Digimarc Corporation