

# EXHIBIT 1

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

PETROLIAM NASIONAL BERHAD, )  
 )  
 Plaintiff, )  
 )  
 vs. )  
 )  
 GODADDY.COM, INC., )  
 )  
 Defendant. )  
 \_\_\_\_\_ )  
 )  
 GODADDY.COM, INC., )  
 )  
 Counter-Claimant, )  
 )  
 vs. )  
 )  
 PETROLIAM NASIONAL BERHAD, )  
 )  
 Counter-Defendant. )  
 \_\_\_\_\_ )

CASE NO: 09-CV-5939 PJH

EXPERT REPORT OF MICHAEL PALAGE

1. I am have been retained by GoDaddy.com, Inc. ("Go Daddy") to provide expert opinions and testimony concerning the allegations contained in the First Amended Complaint as well as other pleadings in this matter.

I. QUALIFICATIONS

- 2. I received a Bachelor of Sciences Degree in Electrical Engineering (B.S.E.E) from Drexel University, and a Juris Doctor (J.D.) from Temple University's Beasley School of Law, and I am currently an active member of the Florida Bar.
- 3. I have worked within the domain name industry for over a decade in connection with both registrars and registries. These services have included implementing and operating

appropriate intellectual property rights protection mechanisms in approximately half of all new generic top-level domains (gTLDs) approved by Internet Corporation for Assigned Names and Numbers (ICANN) over the last eleven years.

4. During this time I have been intimately involved with ICANN, an international non-profit organization, which has been designated by the United States Government to manage and coordinate the Internet's unique identifiers (domain names and IP addresses).
5. Over the past twelve years I have held various leadership positions within ICANN, including: a three year term on its Board of Directors from 2003 to 2006; Chair of the Registrar Constituency (1999-2003); Co-Chair of Working Group B (1999) which was tasked to address the protection of trademarks in new gTLDs; and Chair of the High Security Zone Advisory Group (2010-2011).
6. I was involved in the drafting the original Uniform Dispute Resolution Process (UDRP) which is now incorporated into over 130 million gTLD domain name registration agreements to resolve trademark disputes between trademark holders and domain name registrants.
7. I have previously served as a domain name panelist (arbitrator) for the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, and one of the designated providers approved by ICANN to administer UDRP proceedings.
8. I have testified before Congress and the US Copyright Office on various Internet issues and have spoken as a lecturer or panelist at numerous meetings, seminars and conferences on an international basis.
9. In my role as a consultant, I am regularly involved in operational, technical, legal and policy matters of domain name registration authorities (registrars and registries).
10. I am also the registrant of multiple domain names that have been used in both a personal and business capacity.
11. A current CV setting forth my education and professional experience is attached hereto as Exhibit No.1.
12. Included in my CV is a list of legal proceedings in which I have testified at either deposition or trial in numerous Internet and domain name related matters.
13. I am being compensated at a rate of \$375 per hour.

## II. BASIS FOR TESTIMONY

14. In preparing for my testimony, I have familiarized myself with the issues in this case by reviewing the following documents:

- Plaintiff's First Amended Complaint;
- Go Daddy's Notice of Motion, Motion, and Memorandum of Points and Authorities in Support of Defendant's Motion to Dismiss First Amended Complaint;
- Court's Order Denying Motion to Dismiss, dated 5 May 2011;
- ICANN-accredited registrar Go Daddy's website;
- ICANN-accredited registrar eNom's website;
- ICANN-accredited registrar Network Solutions' website;
- ICANN-accredited registrar TUCOWS' website;
- ICANN-accredited registrar Schlund + Partner website;
- ICANN-accredited registrar MelbourneIT's website;
- ICANN-accredited registrar Network Solutions' website;
- ICANN-accredited registrar ResellerClub's website;
- ICANN-accredited registrar Moniker's website;
- ICANN-accredited registrar Register.com's website;
- ICANN-accredited registrar Key-System's website;
- The legislative history of the Anti-Cybersquatting Consumer Protection Act (ACPA), 15 USC 1125(d);
- Historical newspaper and periodical articles in connection with domain name industry facts and figures;
- ICANN's website;
- The United States Government National Telecommunication and Information Agency (NTIA) website;
- WIPO website; and
- Miscellaneous technical documentation.

### **III. SUMMARY OF REPORT AND CONCLUSIONS**

15. In this report I will be providing a technical overview of the Internet's unique identifiers and the basics of domain name registration and resolution, routing and forwarding services.
16. I will also be providing a summary of ICANN and its role in the evolution of the domain name registration authority (registry/registrar) marketplace, and a historic overview of domain name disputes.

17. Based upon my professional expertise as set forth above, it is my opinion that the services provided by Go Daddy in connection with the domain names petronastower.net and petronastowers.net are consistent with core registrar services routinely provided by all the leading registrars. These routinely provided services include, but are not limited to, domain name resolution, routing and forwarding services.
18. It is my further opinion that these core registrar services are the very type of services intended to fall within the safe harbor provision set forth in the Anti-Cybersquatting Consumer Protection Act (ACPA), 15 USC 1125(d), absent any evidence of bad faith.
19. It is my further opinion that, based upon the allegations set forth in the First Amended Complaint and my analysis of Go Daddy's conduct, there has been no bad faith exhibited by Go Daddy; in particular there has been no bad faith in connection with the domain name registration and resolution services that it has provided in connection with the domain names petronastower.net and petronastowers.net.
20. It is my further opinion that Go Daddy's actions in not directly interjecting itself into the middle of a trademark dispute between a trademark owner and domain name registrant, absent extenuating circumstances, and instead referring the trademark complainant to the UDRP, the expedited dispute resolution process set up to resolve domain name disputes, is consistent with the standard operating procedure most registrars would follow. I do not believe that Go Daddy's current general practices for handling trademark complaints, as alleged in the First Amended Complaint, constitute bad faith in any way.
21. It is my further opinion that granting the relief requested by Plaintiff would have a direct and detrimental impact on a multi-billion dollar domain name industry with over 215 million domain names registered worldwide, and would impose a standard of operation on domain name registration authorities (registry/registrar) that was deemed un-scalable and unduly burdensome back in the Spring of 1997 when only 828,000 domain names were registered globally. Today this burden would even be more impracticable in the current market and in light of ICANN's proposed expanse of an unlimited number of new top-level domains.

#### **IV. EXPECTED TESTIMONY**

##### **A. Evolution of the Domain Name Registration Authority (Registry/Registrar) Marketplace**

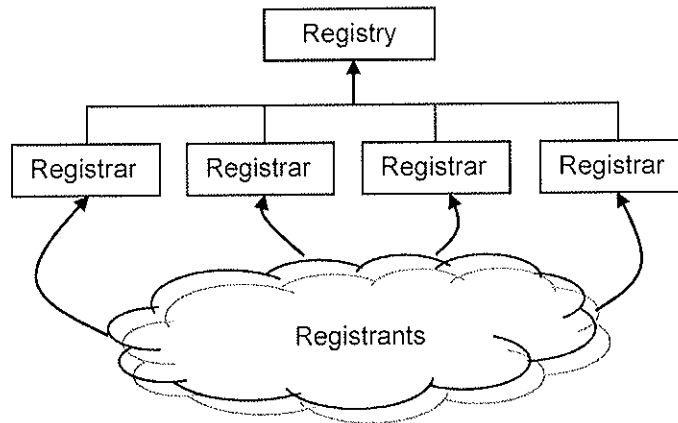
22. Although the domain name system was first created in 1985, it was not until the mid to late 1990's that the number of domain names registrations began to explode.

23. On January 1, 1993, the date Network Solutions Inc. (NSI) obtained the exclusive right to provide domain name registration services in the .COM, .NET and .ORG top-level domains, there were a total of 21,000 domain names registered globally.
24. Five years later that number increased to 2.2 million domain names registered globally.
25. From 1993 through December 1997, NSI provided these domain name registration services to end-users (registrants) primarily through a network of resellers (e.g. ISPs, webhosting companies, etc.). These resellers were largely responsible for providing the primary and secondary domain name servers associated with each domain that was necessary for the domain name to properly resolve.
26. In January 1998, NSI introduced a suite of domain name services designed for small and medium size businesses branded WorldNIC services. This represented NSI's first retail domain name service offering directed at registrants, which included the provisioning of domain name resolution services.
27. In 1998 the United States government recognized the Internet Corporation for Assigned Names and Numbers (ICANN) as the global technical coordination of the Internet's unique identifiers (domain names and IP addresses).
28. One of ICANN's initial objectives was to spur competition in the domain name space by introducing a marketplace of competitive registrars to provide competition to the incumbent monopoly provider (NSI).
29. Today there are over 215 million domain names registered across approximately 300 top-level domains (gTLD and ccTLDs). However, over 130 million of these domain names are registered within five gTLDs (.COM, .NET, .ORG, .INFO, and .BIZ).

gTLD	Registry Operator	Domain Names
.COM	VeriSign	97,236,181
.NET	VeriSign	14,152,241
.ORG	Public Interest Registry	9,436,538
.INFO	Afilias	8,040,460
.BIZ	NeuStar	2,134,085

Source: DomainTools: <http://www.domaintools.com/internet-statistics/> (September-2011)

30. ICANN-accredited registries serve as the exclusive wholesaler for each specific TLD, and multiple competitive ICANN-accredited registrars function as retailers of domain name registration services in the various top-level domains.
31. The diagram below provides a high level over view of the current marketplace.

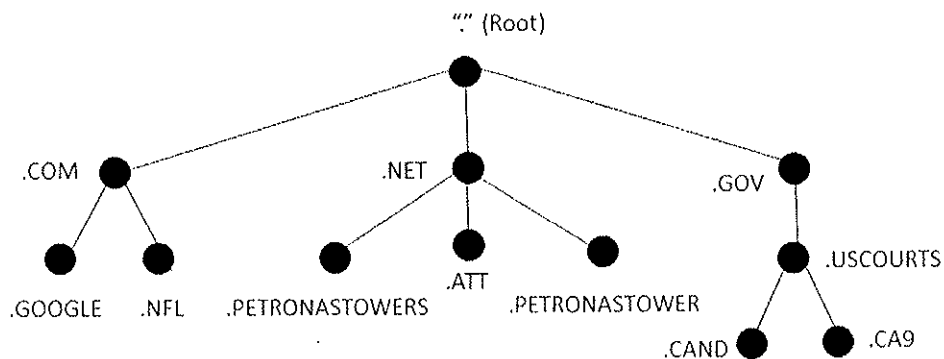


32. A "Registry" is the entity responsible for maintaining the authoritative, master database of all domain names and associated function information registered in each top-level domain. The registry for the .NET gTLD is VeriSign.
33. A "Registrar" is an entity that registers and maintains domain names with the Registry on behalf of the Registrant. All ICANN-accredited Registries must use ICANN-accredited Registrars to perform domain name registration and maintenance. Go Daddy is an example of a registrar.
34. A "Registrant" is the individual or organization that registers a specific domain name within a given TLD, and holds the right to use that specific domain name for a specified period of time, provided certain conditions are met and the registration fees are paid. Go Daddy's domain name customers are examples of registrants.
35. Today, Go Daddy, based upon recent statements posted on its website, is currently the world's largest of over 900 ICANN registrars with in excess of 50 million domain names registered.

## B. TECHNICAL OVERVIEW OF THE INTERNET'S UNIQUE IDENTIFIERS

36. It is a fundamental principle of the Internet's architecture that each host computer has a unique address (IP Address). This guarantees that the information being sent across the Internet will arrive at the proper designation. This is somewhat analogous to the postal system that distinguishes between Hollywood, Florida and Hollywood, California.
37. IP Addresses have historically been represented by unique 32 bit addresses (IPV4) comprising sets of four period delimited octets that represent individual host computers on the Internet.

38. For example, the IP Address for the computer currently hosting the United States District Court Northern District of California website is 206.18.146.127. This unique IP Address allows all the computers connected to the Internet to find the court's website. For example, the unique telephone number 1-415-522-2000 allows people to contact the Clerk's office through the existing telephone network.
39. The DNS is a distributed database which uses a set of protocols and services to allow users to utilize hierarchical user-friendly names when looking for other host computers, instead of having to remember and use their IP Addresses. For example, instead of having to remember the IP address 206.18.146.127 to get to the court's website, a user can simply type `http://cand.uscourts.gov`
40. In January 1985 that the first top-level domain names (.COM, .NET, .ORG, .MIL, .GOV) were added to the Internet's authoritative root.
41. The names in the DNS database establish a logical tree structure called the domain name space. The top of the DNS is called the dot "." or root of the DNS database on the Internet. Under the root is a set of names called top-level domains. Each of these top-level domains contains a set of records (zone files) comprising information about certain domain names registered in that TLD.
42. This hierarchal/tree structure is illustrated in the diagram below.



## DOMAIN NAME REGISTRATION BASICS

43. When an individual or business wants to register a domain name they must register it through an ICANN-accredited registrar, who is required to take a set of information from the registrant.



44. In accordance with Section 3.2.1 of the 2009 ICANN Registrar Accreditation Agreement, a registrar is required to collect the following data from a domain name registrant as well as reasonable assurance of payment of its registration fee:
- 3.2.1.1 The name of the Registered Name being registered;
  - 3.2.1.2 The IP addresses of the primary nameserver and secondary nameserver(s) for the Registered Name;
  - 3.2.1.3 The corresponding names of those nameservers;
  - 3.2.1.4 Unless automatically generated by the registry system, the identity of the Registrar;
  - 3.2.1.5 Unless automatically generated by the registry system, the expiration date of the registration; and
  - 3.2.1.6 Any other data the Registry Operator requires be submitted to it.
45. Because almost all gTLD domain name registrations are done on a first-come, first-served basis, the vast majority of registrars will provide default information in connection with section 3.2.1.2 and 3.2.1.3 to speed the registration process, unless expressly instructed otherwise by a registrant.
46. Registrars have been providing this core service since as early as 1998 when NSI as the monopoly registrar began providing primary and secondary domain name registration services in connection with its WorldNIC suite of services.
47. After registering the domain name a registrant has a number of options to choose from:
- The registrant can do nothing and allow the name servers to be propagated with the default information provided by the registrar. This default information is most probably going to have the domain name resolve to a coming soon page;
  - The registrant can develop some basic content on the beginner website;
  - The registrant can configure the name servers to point the domain name to a web hosting plan hosted by that registrar;
  - The registrant can configure the name servers to point the domain name to a web hosting plan hosted by third party;
  - The registrant can point the domain name or a sub-domain within that domain to an existing domain name and/or URL<sup>1</sup>;
  - The registrant can configure the Resource Records on the name server so they return a record not found error; or

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<sup>1</sup> This is the option which is underlying subject matter of the current dispute.

- The registrant can configure the domain name so that it points to a parked page/link farm to generate pay-per-click (PPC) revenue.
48. The current competitive marketplace provides users with easy to use point-and-click graphical user interfaces (dash boards) to seamlessly make these changes. These changes are primarily automated processes driven by specific actions taken by the registrant.

### **C. DOMAIN NAME SYSTEM RESOLUTION BASICS**

49. To illustrate the basics of how the hierarchical and distributed database system known as the domain name system (DNS) works, Exhibit #2 provides a detailed illustration of a hypothetical of a reader wanting to access the San Francisco Chronicle website from a computer browser.

### **D. RESOLUTION, ROUTING AND FORWARDING**

50. The terms resolution, routing and forwarding are commonly used interchangeably.
51. The following metaphor hopefully explains this technical distinction between DNS resolution and Internet routing in a manner more easily understood by a layperson.
52. DNS resolution is like Google Maps or MapQuest which returns information about the specific location of a properly formatted address on a map. So as explained in Section C above, applications such as web browsers and email clients use DNS resolution to identify the specific IP address (location) of a computer on the Internet.
53. Internet Routing is the added functionality of Google Maps or MapQuest which then provides a user/individual with detailed directions on how to get from Point A (their current location) to Point B (their desired location).
54. Domain Name Forwarding, as explained in more detail in Section F below, is a ubiquitous service offered by the leading registrars which have been bundled into the basic tool box a domain name registrant has at their disposal in managing their domain names.
55. Any distinctions between domain name forwarding and other resolution services are highly technical. From the perspective of a domain name registrant or Internet user, however, domain name forwarding is essentially the same as other resolution services. Simply stated, domain name forwarding is an automated process encompassing a registrant pointing a domain name to a website, and then the registrar directing traffic to that designated website.

## E. HISTORICAL OVERVIEW OF DOMAIN NAME CYBERSQUATTING

56. Cybersquatting can be broadly defined as an individual's bad faith intent to profit from the goodwill of another's trademark, by registering, trafficking in, or using a domain name that is identical to, or confusingly similar to a distinctive mark, or dilutive of a famous mark. 15 USC 1125.

### Pre-ICANN

57. When the Internet was perceived to have de minimis commercial value, the first attempts to profit off of domain names failed. In August 1994, Jim Cashel registered eighteen domain names that incorporated well-known trademarks such as HERTZ and ESQUIRE. However, after responding to a flood of calls from curious reporters, Mr. Cashel simply relinquished the domain names.
58. During NSI's monopoly (1993-1999) over the registration services in the .COM, .ORG and .NET top-level domain, it provided domain name registrations on a first-come first-serve basis. Its original policy on disputes was set forth in RFC 1591 that provided in relevant part:

In case of a dispute between domain name registrants as to the rights to a particular name, the registration authority shall have no role or responsibility other than to provide the contact information to both parties.

The registration of a domain name does not have any Trademark status. It is up to the requestor to be sure he is not violating anyone else's Trademark.

59. In response to a growing number of trademark disputes involving domain names, NSI modified its domain name Dispute Policy three times over the next two and half years. The basic premise of this new Dispute Policy was one in which a registered trademark owner could have a domain name placed on hold if the domain name registrant was unable to demonstrate equal or superior rights.
60. However, putting a domain name on hold did not entitle the trademark owner to use the domain name. In order to effectuate a transfer of the domain name to use it, the trademark owner still had to file a proceeding in a court of competent jurisdiction and prevail. This process was not only costly, but time consuming as registrants could evade service of process by using fraudulent registrant whois data.

61. Notwithstanding these numerous changes to its domain name registration policy to mitigate harm to trademark owners, by 1997 NSI had been named in over thirty trademark litigation disputes based upon its role as a technical domain name registration authority (registry/registrar).
62. However, in November 1997 Judge Dean Pregerson of the federal district court in Los Angeles issued the landmark decision in *Lockheed Martin Corp. v. Network Solutions Inc.* 985 F. Supp 949 (C.D.Ca. 1997) *aff'd*, 194 F.3d 980 (9<sup>th</sup> Cir. 1999) granting summary judgment in favor of NSI that it could not be held liable for direct or contributory infringement in connection with its limited technical role as a registrar.

*The Uniform Dispute Resolution Policy (UDRP)*

63. On October 24, 1999, the ICANN board adopted the Uniform Dispute Resolution Policy (UDRP) and contractually required all ICANN-accredited registrars to incorporate this provision into their domain name registration agreements. This provision subjected all domain name registrants to a mandatory administrative review if there was an alleged abusive domain name registration.
64. The UDRP was designed to address many of the shortcomings of the previous NSI Dispute Policies, by providing a way for trademark owners to obtain a transfer/cancellation of a domain name in a timely and cost effective manner.
65. Under the UDRP, in order to prevail, a trademark complainant must establish: (1) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and (2) that the domain name registrant has no rights or legitimate interests in respect of the domain name; and (3) the domain name has been registered and is being used in bad faith.
66. The UDRP provides the following non-exhaustive criteria for establishing a finding of bad faith on behalf of a domain name registrant:
  - (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or

(iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

67. The success of the UDRP as a cost efficient and timely mechanism to provide trademark owners the relief they are looking for, while removing domain name registration authorities from the dispute is evidenced by a recent WIPO document that as of August 2011, there have been over 36,000 domain name dispute resolutions proceedings filed since the original creation of the UDRP back in 1999.

68. In fact Plaintiff has successfully used the UDRP at least four times in the past to secure the transfer of a domain name that had been registered in bad faith:

- Petroliam Nasional Berhad v. Daniela Naidu (WIPO D2000-1777);
- Petroliam Nasional Berhad v. Internet Prolink SA (WIPO D2001-0379);
- Petroliam Nasional Berhad(sic) v. Pertronasgas.com Inc. (WIPO D2002-0709) and
- Petroliam Nasional Berhad v. Kim Harrison (NAF FA0712001123094)

*Anti-Cybersquatting Consumer Protection Act (ACPA)*

69. The Anti-Cybersquatting Consumer Protection Act (ACPA) 15 USC 1125(d) was intended to boost consumer protection in connection with electronic commerce by providing additional tools for trademark owners to pursue cybersquatters as well as codify current case law limiting the secondary liability of domain name registrars and registries for the act of registration of a domain name, absent bad-faith on the part of the registry or registrar.

70. However, the ACPA was not written in a vacuum; in fact, it was intended to dovetail into the work that ICANN was undertaken at the time in connection with UDRP as evidenced by the following excerpt from the Congressional record:

On the one hand ICANN, the private sector organization tasked by the Department of Commerce to manage domain names, is establishing a uniform dispute resolution mechanism for domain name registrars. That work is very

important, and I hope the outcome of that process yields a mechanism that will be truly effective in protecting marks.

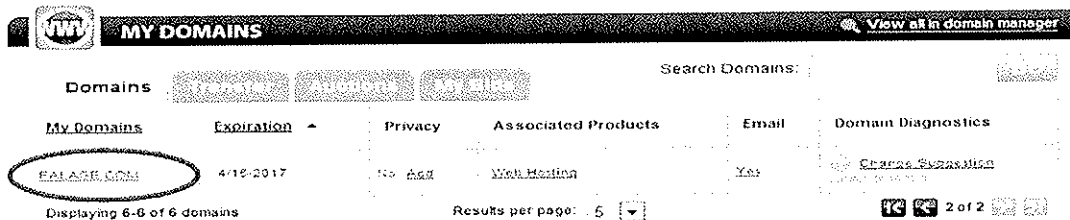
However, even with a private party dispute resolution process, there needs to be appropriate legal remedies where individuals seek to exploit through what amounts to extortion the registration of domain names. I think that this legislation sets out the appropriate legal framework and will certainly enhance the effectiveness of the protection of marks in this global electronic environment.

Committee Reports, 106<sup>th</sup> Congress, House Reports H10827

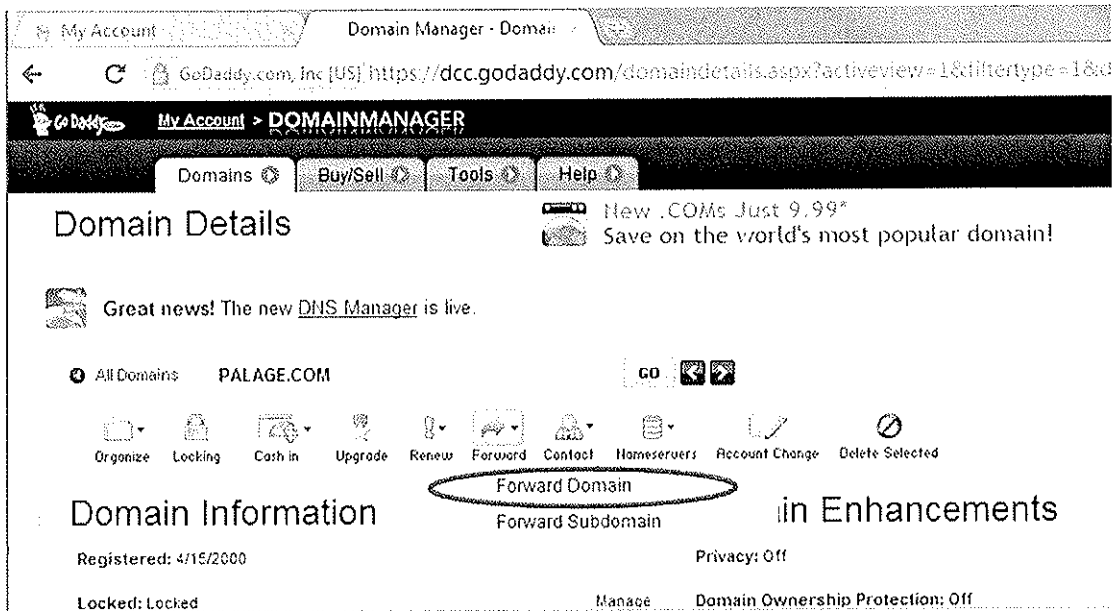
71. The ACPA significantly strengthens the rights and remedies trademark owners have against cybersquatters, most importantly in rem jurisdiction and statutory damages up to \$100,000 per bad faith domain name registration.
72. Under the ACPA, a trademark owner must establish that the defendant (1) has a bad faith intent to profit from that mark; AND (2) registers, traffics in, or uses a domain name that is (a) identical to or confusingly similar to that mark, OR (b) identical or confusingly similar to or dilutive of a famous mark.

#### F. DOMAIN NAME FORWARDING SERVICES

73. I am familiar with historical as well as current uses of domain name forwarding. Forwarding has become a ubiquitous service/functionality that most of the leading domain name registrars have incorporated into their domain name tool kit (dashboard). These dashboards are user friendly graphical interfaces that allow registrants to manage their domain names with minimum to no technical expertise regarding the Internet technical protocols.
74. The ability to quickly access the dashboard feature and enable domain name forwarding is only a few mouse clicks away. Beginning from Go Daddy's My Account page, a user/registrant simply clicks on the domain name they wish configure. (see red circle below)



75. The user/registrant then pulls down the Forward menu-bar and clicks on Forward Domain. See red circle below.



76. The user/registrant is then provided a simple interface to point the domain name to the domain and/or URL of their choosing.

Forward PALAGE.COM to: [Preview](#)

http://

Update my DNS settings to support this change. (Recommended)

[Hide Advanced Options](#)

Forward Only

Redirect type:

Forward with Masking











Click preview to see forwarding web site.

77. There are a number of widely accepted personal/commercial uses that incorporate domain name forwarding services, including but not limited to:
- In connection with corporate mergers. Pacific Telesis (PacBell) was one of the seven original Baby Bells created back in 1983 following the break-up of AT&T. Any user typing PACBELL.COM into a web browser today is automatically forwarded to the current ATT.COM website. This feature allows companies to

either phase out or warehouse trademarks and domain names while providing a seamless navigation experience to the end user.

- Business and trademark owners also use domain name forwarding to help Internet users more seamlessly navigate to where they are intending to go. If an Internet user was to type the domain name [www.yahoo.com](http://www.yahoo.com) into a browser window with no "." between the [www](http://www) and [yahoo](http://yahoo), domain name forwarding seamlessly and automatically redirects the Internet user from the [www.yahoo.com](http://www.yahoo.com) domain name to the [yahoo.com](http://yahoo.com) website.
- Domain name forwarding with masking is a feature that permits a registrant to display a domain name in the browser bar window while embedding content from another webpage. This is a powerful tool in connection with website migration/ transition, allowing a company to simultaneously launch a new website with increased structure and functionality, while still linking to the old content hosted at the old domain names and URLs.
- Domain name forwarding also represents a potential cost saving to students and consumers. Individuals are commonly given free web sites by their local ISP or school, however, the URL is generally not very attractive or memorable, e.g. [www.local-isp.com/~user-xyz](http://www.local-isp.com/~user-xyz) or [www.local-school.edu/~student-name](http://www.local-school.edu/~student-name). Domain name forwarding with masking empowers a registrant to automatically redirect traffic from content hosted on a lengthier domain name/URL to a shorter and more memorable domain name that appears in the browser window.

78. In preparation of this report, I identified the top-ten ICANN-accredited registrars based upon their current gTLD market share.

Rank	Registrar	Country	Market Share
1	<a href="http://godaddy.com">GO DADDY</a>		32.332%
2	<a href="http://enom.com">ENOM</a>		8.667%
3	<a href="http://tucows.com">TUCOWS</a>		6.722%
4	<a href="http://networksolutions.com">NETWORK SOLUTIONS</a>		5.123%
5	<a href="http://schlund.com">SCHLUND+PARTNER</a>		4.340%
6	<a href="http://melbourneit.com">MELBOURNE.IT</a>		3.204%
7	<a href="http://wildwestdomains.com">WILD WEST DOMAINS</a>		2.729%
8	<a href="http://resellerclub.com">RESELLERCLUB.COM</a>		2.192%
9	<a href="http://moniker.com">MONIKER</a>		1.943%
10	<a href="http://register.com">REGISTER.COM</a>		1.897%

Source: WEBHOSTING.INFO (<http://www.webhosting.info/registrars/top-registrars/global/>) (September 2011)



79. My review of these registrars' websites revealed that domain name forwarding is a ubiquitous service offered by the top-ten registrars, independent of their geographic location or their business model.

#### **G. STANDARD REGISTRAR RESPONSE TO TRADEMARK CLAIMS**

80. The standard operating procedure for most registration authorities is to avoid unnecessarily placing itself in the middle of two parties' disputing trademark rights in a domain name. In fact this action is consistent with the advice that ICANN places on its own website:

**The domain name I want is already registered by someone else. How do I go about obtaining this name?**

If you are interested in obtaining a domain name that has been registered by somebody else, there are at least four alternatives:|

- Work out an agreement with the current registrant.
- Wait and hope the current registrant lets it expire.
- File a lawsuit in court against the current registrant.
- If you believe the domain name is identical or confusingly similar to a trademark or service mark in which you have rights, and the current registrant has registered and is using the name in bad faith (and has no rights or legitimate interests in the name), you can begin an administrative proceeding under the Uniform Domain-Name Dispute-Resolution Policy. (Note: this is a narrow category, so you should proceed with caution.) For more details on this option, please see <<http://www.icann.org/udrp/udrp.htm>>.

Before you decide which of these or other options is best in your case, you may want to consult an attorney. ICANN cannot give you legal advice.

Source: <http://www.icann.org/en/compliance/faq.html>

81. Registration authorities (registrars/registries) will almost always, absent extraordinary circumstances, direct a trademark owner or their representative to the UDRP, and/or inform them of their willingness to comply with a court order from a court of competent jurisdiction.
82. A non-exhaustive list of extraordinary circumstances could include: national security; security/stability of the Internet; evidence of potential fraud in a party obtaining a court order or a claim; child pornography; an unauthorized domain name transfer.

## H. ANALYSIS OF GODADDY ACTIONS

83. It is my professional opinion based upon over seventeen years of domain name experience (including but not limited to law firm, ICANN-accredited registrar, WIPO panelist, working with 50% of all new ICANN approved gTLD registry operators, Congressional testimony, original author of the Sunrise intellectual property rights protection mechanism that has now been mandated into the launch of new gTLDs) that Go Daddy's actions in responding to the repeated inquiries from Plaintiff in connection with the domain names at issue were reasonable and consistent with the standard practices followed by most ICANN-accredited registration authorities.
84. It is also my professional opinion that, based upon the allegations set forth in the First Amended Complaint and my analysis of Go Daddy's conduct, there has been no bad faith exhibited by Go Daddy; in particular there has been no bad faith in connection with the domain name registration and resolution services that it has provided in connection with the domain names *petronastower.net* and *petronastowers.net*.
85. It is also my professional opinion that a domain name registration authority's (registry/registrar) decision to take no action in connection with repeated demands/threats from a trademark owner does not rise to a level of bad faith today, no more than it did back in 1997 when initial *Lockheed v. Network Solutions* opinion was issued.
86. It is my professional opinion the registration of the domain names *petronastower.net* and *petronastowers.net* by Go Daddy's customer lead to exactly the type of domain name disputes that the UDRP was intended and designed to handle.
87. It is my further professional opinion as a former WIPO UDRP panelist and my extensive first-hand experience with domain name dispute proceedings that Plaintiff could have secured both of these domain names in less than 60 days and for a cost (attorney fees + filing fees) of less than \$10,000 if they had used the UDRP back in November of 2009, when Go Daddy first called Plaintiff's attention to the UDRP.
88. It is my professional opinion that granting the relief requested by Plaintiff would have a direct and detrimental impact on the multi-billion global domain name industry with over 215 million domain names registered world-wide, and would seek to impose a standard of operation on registration authorities that was deem un-scalable and unduly burdensome back in the Spring of 1997 with only 828,000 domain names registered globally.

89. To put this in perspective, Go Daddy has over 50 million domain names under management as of September 2011. Back in the fall of 1997, NSI was burdened with over 30 trademark litigation disputes while managing slightly over 1.3 million domain name registrations. Assuming that society has not become less litigious over the last decade, Go Daddy could be expected to be challenged in excess of 1100 trademark litigations, if the Plaintiff succeeds in doing away with over a decade of established case law.

By: Michael D. Palage  
Name: Michael D. Palage

Date: 3 October 2011

**Exhibit #1**

**Michael D. Palage, Esq.**  
73 Camelia Circle  
Tequesta, Florida 33469  
[michael@palage.com](mailto:michael@palage.com)

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**SUMMARY:**

I am an intellectual property attorney and an information technology consultant. I have been actively involved in ICANN operational and policy matters since its formation in both an individual and leadership role, including a three-year term on the ICANN Board of Directors. I am currently President and CEO of Pharos Global, Inc. which provides consulting and management services to domain name registration authorities and other technology related companies in connection with Internet governance issues. I have testified before the United States Congress and as an expert witness in both Federal and State Court in numerous legal proceedings.

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**ARTICLES/PUBLICATIONS:**

**New gTLD Expressions of Interest: Proceed with Caution**, Michael Palage, The Progress & Freedom Foundation, Progress on Point, Volume 16, Issue 24 (November 2009)

**Choosing the Right Path to a Permanent Accountability Framework for ICANN**, Michael Palage & Berin Szoka, The Progress & Freedom Foundation, Progress on Point, Volume 16, Issue 21 (August 2009)

**ICANN's Economic Reports: Finding the Missing Pieces to the Puzzle** Michael Palage, The Progress & Freedom Foundation, Snap Shot, Volume 5, Issue 4 (April 2009)

**ICANN's "Go/No-Go" Decision Concerning New gTLDs**, Michael Palage, The Progress & Freedom Foundation, Progress on Point, Volume 16, Issue 3 (February 2009)

**Concluding the JPA – Unresolved Issues**, Michael Palage, Internet Governance Forum Workshop Report: The Future of ICANN: After the JPA, What? (November 2008)

**Please, Keep the Core Neutral**, Michael Palage & Avri Doria, CircleID, (March 2007)

**DNS Détente**, Tricia Drakes & Michael Palage, CircleID (November 2005)

**Employer Liability for Copyright Infringement of Computer Software**, Frank Cona & Michael Palage, The Data Law Report, May 1995

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**PRESENTATIONS/SPEAKING ENGAGEMENTS:**

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**Evolution of the Name Space**

World Intellectual Property Organization Conference: 10 Years UDRP - What's Next?  
Geneva, Switzerland - 12 October 2009

**The Policy Game: High Stakes for Domainers**

Domain Roundtable  
Washington, D.C. June 15 2009

**ICANN & Internet Governance: How Did We Get Here & Where Are We Heading**

The Progress & Freedom Foundation, Congressional Seminar  
Rayburn House Office Building, Washington, D.C. – April 2009

**The Future of ICANN: After the JPA, What?**

The United Nations Internet Governance Forum,  
Hyderabad, India- December 2008

**gTLDs – Freedom of Expression,**

ICANN Regional Meeting,  
San Juan, Puerto Rico - March 2007

**Emerging E-Commerce Issues**

Cyberspace-E-Commerce Committee of the Philadelphia Bar Association  
Philadelphia, PA - January 2005

**Tech Law for Business People and Lawyers – Establishing & Maintaining a Presence on the Internet**

Law Seminars International  
Fort Lauderdale, FL – October 2004

**Untangling the Web – Sale of Key Words, Pop Ups and Meta Tags**

Intellectual Property Law Association of Chicago and DePaul Law School  
Chicago, Illinois – September 2004

**WHOIS: What Next?**

ICANN Studienkreis 2004  
Aarhus, Denmark – September 2004

**Enforcement Of Intellectual Property Rights Online**

Florida Bar Annual Meeting, Joint IP and Computer Law Committees  
Boca Raton, FL – June 2002

**Update On The Enforcement Of Intellectual Property Rights On The Internet**

International Anti-Counterfeiting Coalition, Annual Conference  
Washington, D.C. – May 2002

**The Internet In Latin America: Barriers To Intellectual Property Protection**  
Dispute Resolution in Cyberspace  
University of Miami Law School – March 2002

**Litigating Trademark, Trade Dress, and Unfair Competition Cases: Resolving Domain Name Disputes Outside The Courts**  
American Law Institute - American Bar Association  
Orlando, Florida – January 2002

**ICANN And The New Top Level Domains: What You And Your Clients Needs To Know,**  
Arizona Bar, Intellectual Property Section  
Tempe, Arizona – September 2001

**Private and Public Sector Roundtable On WHOIS,**  
U.S. Chamber of Commerce  
Washington, D.C. – June 2001

**Protecting Intellectual Property In The New Top Level Domains,**  
Netsearchers  
New York, NY – June 2001

**Selecting, Clearing And Registering Domain Names**  
Fulcrum Information Services  
San Francisco, CA – February 2001

**The Internet Domain Name System – A Technical & Administrative Overview,**  
The Greater Miami Chamber of Commerce  
Miami, FL - January 2001

**Pressing Issues II: Understanding And Critiquing ICANN's Policy Agenda,**  
The Berkman Center for Internet & Society at Harvard Law School -  
Marina del Ray, CA - November 2000

**Technology Law 101: What Educators Need To Know,**  
East Stroudsburg University  
East Stroudsburg, PA – November 2000

**Famous Trademark And Multilingual Internet Domain Names,**  
ItsASIA2000  
Singapore – September 2000

**Domain Names, Cybersquatting, And Cyber-Piracy,**  
Law, Technology and the Internet, CLE  
Palm Beach County Bar Association - West Palm Beach, FL – September 2000

**New Internet Top-Level Domains,**  
ICANN Orientation Workshop  
Yokohama, Japan – July 2000

**Famous Trademarks And The Internet Domain Name System**

KRNIC ICANN Workshop –  
Seoul, Korea – July 2000

**E-Commerce Legal & Practical Issues- Developing Topics On E-Commerce Infringement**

International Anti-counterfeiting Coalition IACC)  
Denver, CO – April 2000

**International Reach of E-Business**

Villanova University School of Law, Professor Arnold Cohen  
Villanova, PA – February 2000

**State of the Names Address: What Is Going on With Namespace Policy, Politics & Governance?**

Internet Service Provider Forum (ISPF)  
New Orleans, LA – November 1999

**Establishing an Internet Presence: Practical, Technical and Ethical Issues to Consider**

Palm Beach County Association, CLE  
West Palm Beach, FL – October 1999

**The Digital Millennium Copyright Act and Its Impact on Educators**

Millersville University  
Millersville, PA – February 1999

**Online Liability Issues for Students and Educators**

Pleasant Valley School District  
Pleasant Valley, PA – February 1999

**Online Liability: Legal Potholes on the Information Superhighway Update,**

ITEC EXPO  
Philadelphia, PA – November 1998

**Cybercrimes Against Children on the Information Superhighway**

University of Dayton School of Law  
Dayton, OH – October 1998

**Cyber-Rights, Legal Potholes on the Information Superhighway**

Drexel University College of Information Science & Technology, CLE  
Philadelphia, PA – June 1998

**Internet Surfers Beware - Do Your Know Where You Have Gone Today?**

Jupiter, Palm Beach & Singer Island Rotary Clubs  
South Florida - Winter 1998

**Online Liability - Legal Potholes on the Information Superhighway**  
Drexel University College of Information Science & Technology, CLE  
Philadelphia, PA – March 1998

**Internet and Online Issues: Legal, Technological and Social**  
Drexel University College of Information Science & Technology, Workshop  
Philadelphia, PA – June 1997

**The Internet - Legal Research and Ethical Concerns**  
The Philadelphia Association of Paralegals, Education Conference  
Philadelphia, PA - Fall 1996

**Alternative Careers for Engineers**  
Drexel University, Department of Electrical Engineering  
Philadelphia, PA – January 1997

**Civil Rights in Cyberspace**  
Balch Institute for Ethnic Studies  
Philadelphia, PA – February 1996

**Emerging Legal Issues Surrounding the Internet and Cyberspace**  
Widener University School of Law – Intellectual Property Society  
Spring 1996

**Conducting Commerce on the Internet**  
West Chester University Technology Symposium  
West Chester, PA – March 1996

**Legal Potholes on the Information Superhighway**  
West Chester Center for the Study of Connectivity & Databases  
West Chester, PA - Spring 1996

**Internet 101 for Educators**  
PULSE Summer Institute  
Law, Education, and Participation (LEAP), Temple University School of Law  
Philadelphia, PA – Summer 1996

**Prior Art Searching on the Internet**  
Philadelphia Intellectual Property Lawyers Association  
Philadelphia, PA – Fall 1995

**Internet Seminar for "Street Law" Clinical**  
Temple University School of Law, Professor David Trevaskis  
Philadelphia, PA – Fall 1995

**Safeguarding Children on the Internet**  
West Chester Center for the Study of Connectivity & Databases  
West Chester, PA - Summer 1994



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**COURSES:**

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**Critical Issues in Cyberspace,**

Drexel University

Course Co-Developer and Co-Instructor, Frank Cona & Michael Palage (1996 and 1997)

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**ACTIVITIES/ASSOCIATIONS:**

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The Internet Corporation for Assigned Names and Numbers (1999-present): Chair of the ICANN DNSO Registrar Constituency (1999-2003); Co-Chair of Famous Names Working Group (1999-2000); Board of Directors (2003-2006); Registry Constituency (2006 - Present); Business Constituency (2006-present); and IP Constituency (2003- Present)

World Intellectual Property Organization (WIPO) Domain Name Administrative Panelist for ICANN Uniform Domain-Name Disputes Resolution Policy (UDRP) (2000-2003)

International Trademark Association (INTA) - Internet Sub-Committee (2005-present)

.US ccTLD Policy Council (2002 – 2003)

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**EXPERT TESTIMONY:**

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*Office of the Attorney General Department of Legal Affairs v. Professional Resources System International, Inc. et al.,*  
Circuit Court of the 15th Judicial Circuit in and for Palm Beach County Florida No: CL-00-000067 AB

*Go2Net, Inc. v. FreeYellow.com,*  
Superior Court of Washington for King County No. 00-2-27509-9SEA

*Illinois High School Association, and the March Madness Athletic Association, L.L.C. v. Netfire, Inc. and Sports Marketing International, Inc.*  
United States District Court Northern District of Texas Dallas Division NO.: 3:00-CV-0398-R

*Ford Motor Company v. Unique Motorcars;*  
District Court for the Northern District of Alabama, Civil Action No. 89-AR-1085-S

*Frank Ballinger, et al. v. Keith Conrad, et al.,*  
Circuit Court for the Anne Arundel County, Maryland, Civil Action No. C-2002-80340.

*Southern Grouts & Mortars v. 3M,*  
United States District Court Southern District of Florida Miami Division, Civil Action No. 07-61388-CIV

---

**CONGRESSIONAL/ADMINISTRATIVE TESTIMONY:**

---

**ICANN Generic Top-Level Domains (gTLD) Oversight Hearing**

United States House of Representatives – Subcommittee on Intellectual Property, Competition and the Internet, Committee on the Judiciary  
Washington D.C. – May 2011

**The Accuracy And Integrity Of The WHOIS Database,**

United States House of Representatives – Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary  
Washington D.C. – May 2002

**The Impact of the Digital Millennium Copyright Act With Respect To Distant Learning Education,**

United States Copyright Office  
Washington D.C. - January 1999

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**PROFESSIONAL EXPERIENCE:**

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**Pharos-Global, Inc.** (formerly Palage Consulting)

*President & CEO*

Palm Beach, FL (June 2000 – Present)

Providing intellectual property, information technology and management consulting services to domain name registration authorities. Have worked with a wide range of gTLD registry applicants/operators (.INFO, .COOP, .ASIA, .MOBI, .JOBS and .POST) and ccTLDs administrators (.PR and .BM) with various business models (for profit, not for profit, and intergovernmental). Actively involved in ICANN and Internet governance issues.

**The Progress & Freedom Foundation (PFF)**

*Adjunct Fellow*

Washington, D.C. (Dec 2008 – Oct 2010)

The PFF is a 501(3)(C) nonprofit think tank that for over the past fifteen years has studied the digital revolution and its implications on public policy. As an Adjunct Fellow at the PFF I focus on ICANN, domain name, and Internet governance issues and their impact on public policy.

**InfoNetworks, Inc.** (formerly IP Warehouse, Inc.)

*Vice-President, Chief Information Officer*

Palm Beach, FL (June 1997 – June 2000)

An international computer service and consulting company providing high-end information services to the legal and business community in the area of safeguarding intellectual property online through proprietary software which I co-invented. InfoNetworks was one of the first thirty-two ICANN accredited registrars to introduce competition into the generic domain name

space. Responsible for product and client development, and the representation of InfoNetworks within ICANN.

**Seidel, Gonda, Lavorgna & Monaco**

*Law Clerk*

Philadelphia, PA (January 1994 - June 1997)

Researched and prepared legal memoranda, briefs, and pleadings in patent, trademark, copyright and right of publicity litigation. Extensive trademark experience in prosecution, cancellation, opposition and litigation proceedings.

**Honorable Robert Gawthrop III**

*Student Intern*

United States District Court, E.D.Pa. (Fall 1993)

Researched and drafted memorandum in a patent and trademark infringement case.

**Philadelphia Naval Ship Yard**

*Electrical Engineer*

Philadelphia, PA (June 1990 to January 1993)

Designed and developed communication, radar and security systems. Responsible for on-site inspection, plan design, procurement and engineering support. Required extensive interaction and communication with multi-disciplinary trades.

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**BOARD OF DIRECTORS:**

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Internet Corporation for Assigned Names and Numbers (2003-2006)

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**EDUCATION:**

---

Temple University School of Law, Juris Doctor  
Philadelphia, PA, 1995

Drexel University, B.S.E.E.  
Philadelphia, PA, 1990

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**PROFESSIONAL MEMBERSHIP:**

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Member: Bar of the State of Florida (1996-Present)

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**INVENTIONS:**

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US Patent 6,018,801 - Method for authenticating electronic documents on a computer network.

US Patent 6,247,133 - Method for authenticating electronic documents on a computer network.

## Exhibit #2

### Domain Name System Resolution Basics

A reader wishing to access the San Francisco Gate website must type the domain name sfgate.com into the web browser, click on a URL, or access a bookmark stored in the browser.

In order for the browser application to know which machine on the Internet to access and get the requested information, the browser is required to do a domain name lookup and translate that domain name into a unique IP address.

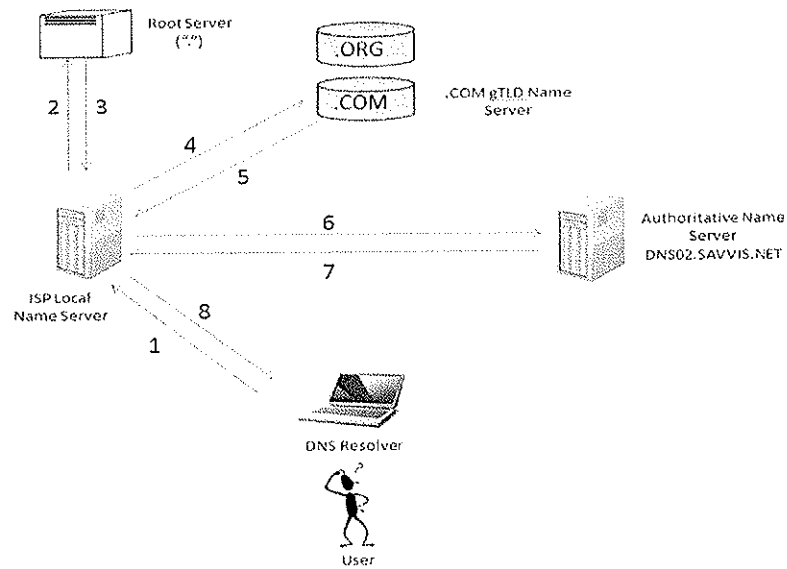
This lookup (resolution) request is sent to the DNS resolver which is part of the local operating system, e.g. Windows, Mac OS, Linux.

Now if that computer has recently conducted a resolution request in connection with that domain name it will likely be stored in the DNS resolver's cache and the application will use that information to access the authoritative name server for that domain name and request the necessary information.

However, most often the information requested will not be stored in the cache and the following series of queries will be undertaken in a matter of milliseconds to locate and retrieve the requested information:

- (1) The DNS Resolver in the operating system of the computer seeking the information will query the local name server. This local name server will commonly be the name server of the Internet Service Provider (ISP) providing the user access to the Internet.
- (2) If that information was stored in the cache of the ISP, the ISP Local Name Server would immediately return the requested information to the DNS Resolver. However, in the illustration below the requested information is not stored in the cache, and ISP Local Name Server initiates a series of subsequent queries to locate the necessary information beginning with a query to the nearest Root Server to find an authoritative name server for the .COM gTLD.
- (3) That information is then returned to the ISP Local Name Server.
- (4) The ISP Local Name Server then queries the .COM gTLD Name Server for information regarding an authoritative name server for the domain name SFGATE.COM.

- (5) The .COM gTLD Name Server then returns this information to the ISP Local Name Server.
- (6) The ISP Local Name Server then queries the Authoritative Name Server for the domain name SFGATE.COM to obtain the requested information.
- (7) The Authoritative Name Server for the domain SFGATE.COM locates the requested information, and then returns this information to the ISP Local Name Server.
- (8) The ISP Local Name Server then returns this information to the DNS Resolver to allow the application to access the information requested by the User.



1 CERTIFICATE OF SERVICE

2  
3 I, Elvira Minjarez, declare:

4 I am employed in Santa Clara County. I am over the age of 18 years and not a party to  
5 the within action. My business address is Wilson Sonsini Goodrich & Rosati, 650 Page Mill  
6 Road, Palo Alto, California 94304-1050. On this date, I caused to be served:

7 **EXPERT REPORT OF MICHAEL PALAGE**

8  
9 on each person listed below, by placing the document(s) described above in an envelope  
10 addressed as indicated below, which I sealed. I placed the envelope(s) for collection and mailing  
11 with the United States Postal Service on this day, following ordinary business practices at  
12 Wilson Sonsini Goodrich & Rosati.

13  
14 Perry R. Clark  
15 Law Offices of Perry R. Clark  
16 825 San Antonio Road  
17 Palo Alto, CA 94303

18 I declare under penalty of perjury under the laws of the State of California that the  
19 foregoing is true and correct. Executed at Palo Alto, California on October 3, 2011.

20   
21 Elvira Minjarez  
22  
23  
24  
25  
26  
27  
28