

1 JOHN L. SLAFSKY, State Bar No. 195513
 2 DAVID L. LANSKY, State Bar No. 199952
 3 HOLLIS BETH HIRE, State Bar No. 203651
 4 WILSON SONSINI GOODRICH & ROSATI
 5 PROFESSIONAL CORPORATION
 6 650 Page Mill Road
 7 Palo Alto, CA 94304
 8 Bus: (650) 493-9300
 9 Fax: (650) 493-6811
 10 jslafsky@wsgr.com
 11 dlansky@wsgr.com
 12 hhire@wsgr.com

13 Attorneys for Defendant/Counterclaimant
 14 GODADDY.COM, INC.

15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA

17 PETROLIAM NASIONAL BERHAD,)
 18)
 19 Plaintiff,)
 20)
 21 vs.)
 22)
 23 GODADDY.COM, INC.,)
 24)
 25 Defendant.)
 26)
 27)
 28)
 _____)
 29 GODADDY.COM, INC.,)
 30)
 31 Counterclaimant,)
 32)
 33 vs.)
 34)
 35 PETROLIAM NASIONAL BERHAD,)
 36)
 37 Counterclaim Defendant.)
 38)
 _____)

CASE NO.: 09-CV-5939 PJH

**REPLY MEMORANDUM OF
 POINTS AND AUTHORITIES IN
 FURTHER SUPPORT OF GO
 DADDY’S MOTION FOR SUMMARY
 JUDGMENT**

Date: December 7, 2011
 Time: 9:00 a.m.
 Courtroom: 3

Honorable Phyllis J. Hamilton

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

	<u>Page</u>
TABLE OF AUTHORITIES	ii
I. INTRODUCTION.....	1
II. ARGUMENT	1
A. GO DADDY IS NOT LIABLE FOR CYBERSQUATTING.....	1
1. Go Daddy Did Not “Use” The Disputed Domains	1
2. There Is No Evidence That Go Daddy Had A Bad Faith Intent To Profit From Petronas’s Trademark	2
i. Go Daddy Had No Intent To Profit From Petronas’s Mark	2
ii. Go Daddy’s Maintenance Of The Status Quo Was Reasonable, Appropriate, and In Good Faith	3
B. GO DADDY IS NOT LIABLE FOR CONTRIBUTORY CYBERSQUATTING.....	5
1. A Claim for Contributory Cybersquatting Does Not Exist Under the Circumstances of this Case	5
2. Petronas is Wrong that Courts Apply The Same Tests for Contributory Infringement and “Contributory Cybersquatting”	6
3. Petronas’s Evidence Is Inadequate to Establish Cybersquatting By The Non-Party Registrant.....	6
4. Go Daddy Did Not Exercise “Direct Control and Monitoring” over the Alleged Cybersquatting.....	8
5. Go Daddy Was Not Willfully Blind to Alleged Cybersquatting.....	9
C. GO DADDY IS PROTECTED BY THE SAFE HARBOR OF THE ACPA AND ENSUING CASE LAW	10
D. PETRONAS HAS ABANDONED ITS UNFAIR COMPETITION CLAIM	13
E. PETRONAS’S TRADEMARK REGISTRATION SHOULD BE CANCELLED	13
III. CONCLUSION	15

TABLE OF AUTHORITIES

Page(s)

CASES

1		
2		
3		
4	<i>Abdul-Jabbar v. Gen. Motors Corp.</i> ,	
5	85 F. 3d 407 (9th Cir. 1996).....	13, 14
6	<i>Auburn Farms Inc. v. McKee Food Corp.</i> ,	
7	No. 22060, 1999 WL 588247 (T.T.A.B. 1998).....	14
8	<i>Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.</i> ,	
9	892 F.2d 1021 (Fed. Cir. 1989).....	14
10	<i>Competition Specialties, Inc. v. Competition Specialties, Inc.</i> ,	
11	87 F. App'x. 38 (9th Cir. 2004).....	7, 8
12	<i>Fonovisa Inc. v. Cherry Auction, Inc.</i> ,	
13	76 F.3d 259 (9th Cir. 1996).....	5, 10
14	<i>Ford Motor Co. v. Greatdomains.com, Inc.</i> ,	
15	177 F. Supp. 2d 635 (E.D. Mich. 2001).....	6, 7
16	<i>Hard Rock Cafe Licensing Corp. v. Concession Serv., Inc.</i> ,	
17	955 F.2d 1143 (7th Cir. 1992).....	5
18	<i>In re Supply Guys, Inc.</i> ,	
19	86 USPQ 2d 1488 (TTAB 2008).....	15
20	<i>Inwood Labs., Inc. v. Ives Lab., Inc.</i> ,	
21	456 U.S. 844 (1982).....	5
22	<i>Jenkins v. County of Riverside</i> ,	
23	398 F.3d 1093 (9th Cir. 2005).....	13
24	<i>Lockheed Martin Corp. v. Network Solutions, Inc.</i> ,	
25	141 F. Supp. 2d (N.D. Tex. 2001) (“ <i>Lockheed IP</i> ”).....	4, 12, 13
26	<i>Lockheed Martin Corp. v. Network Solutions, Inc.</i> ,	
27	194 F.3d 980 (9th Cir. 1999) (“ <i>Lockheed F</i> ”).....	4, 5, 8, 12
28	<i>Lockheed Martin Corp. v. Network Solutions, Inc.</i> ,	
	985 F. Supp. 949 (C.D. Cal. 1997),.....	4,10, 12
	<i>Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.</i> ,	
	--F.3d--, 2011 WL 4014320 (9th Cir. Sept. 9, 2011)	6, 9
	<i>Meyer v. Holley</i> ,	
	537 U.S. 280 (2003).....	5
	<i>Microsoft Corp. v. Shah</i> ,	
	No. C10-0653 RSM, 2011 WL 108954 (W.D. Wash. Jan. 12, 2011).....	6

1	<i>Perfect 10, Inc. v. Visa Int’l Serv., Ass’n,</i> 494 F.3d 788 (9th Cir. 2007).....	8, 9
2		
3	<i>Roxbury Entm’t v. Penthouse Media Group, Inc.,</i> No. 08 CV 3872 FMC (JWJX), 2009 WL 2950324 (C.D. Cal. Apr. 3, 2009)	13
4	<i>Shakur v. Schriro,</i> 514 F.3d 878 (9th Cir. 2008).....	13
5		
6	<i>Solid Host, NL v. NameCheap, Inc.,</i> 652 F. Supp.2d 1092 (C.D. Cal. 2009).....	6, 10
7	<i>Unuson Corp. v. Built Entm’t Group, Inc.,</i> No. C 05-0305 MHP, 2006 WL 194052 (N.D. Cal. Jan. 23, 2006).....	14
8		
9	<i>Verizon California, Inc. v. OnlineNIC, Inc.,</i> 647 F. Supp. 2d 1110 (N.D. Cal. 2009)	10
10	<i>World Market Center Venture, LLC v. Texas Int’l Prop. Assocs.,</i> No. 208-CV-01753-RCJ-GWF, 2009 WL 3303758 (D. Nev. Oct. 14, 2009)	13
11		

STATUTES

12	15 U.S.C. § 1114(2)(D)(i)	13
13	15 U.S.C. § 1114(d)(D)(iii).....	10
14	15 U.S.C. § 1125(d)	8
15	15 U.S.C. § 1125(d)(1)(A)(i)	2
16	15 U.S.C. § 1125(d)(1)(B)(i)(V)	7
17	15 U.S.C. § 1125(d)(1)(B)(ii).....	3, 4
18	15 U.S.C. §1125(d)(1)(D)	1
19	15 U.S.C. § 1127	13
20		

MISCELLANEOUS

21	S. Rep. 106-140 (Aug. 5, 1999)	1
22	Trademark Manual of Examining Procedure § 1604.13	14
23		
24		
25		
26		
27		
28		

1 **I. INTRODUCTION**

2 As Petronas’s opposition makes clear, there is not a scintilla of evidence that Go Daddy
3 has used the Disputed Domains or acted in bad faith, let alone acted with a bad faith intent to
4 profit from Petronas’s trademark. Nor is there any support for the proposition that Go Daddy’s
5 continued provision of domain name forwarding services is an exceptional circumstance giving
6 rise to a so-called “contributory cybersquatting” claim. In particular, Petronas’s suggestion in its
7 opposition that Go Daddy should be found liable based on “refus[ing] to stop forwarding the
8 Disputed Domains after being put on notice of the infringement of Petronas’s trademarks” (Opp.
9 at 8)¹ is contradicted by a host of decisions before and after the passage of the Anti-
10 Cybersquatting Consumer Protection Act (“ACPA”). The Court should not accept the dramatic
11 expansion of registrar liability sought by Petronas.

12 With respect to Petronas’s federal trademark registration, the Court should cancel it
13 because the documents on which Petronas now relies clearly do not support the registration.

14 **II. ARGUMENT**

15 **A. GO DADDY IS NOT LIABLE FOR CYBERSQUATTING**

16 **1. Go Daddy Did Not “Use” The Disputed Domains**

17 Petronas acknowledges that, to prevail on its cybersquatting claim, it must prove that Go
18 Daddy “used” the Disputed Domains as the “registrant’s authorized licensee.” Opp. at 7; 15
19 U.S.C. §1125(d)(1)(D). However, Go Daddy’s maintenance of the status quo by continuing to
20 forward the Disputed Domains does not amount to “use” of those domain names under even the
21 most generous definition. Go Daddy merely provided the infrastructure for the registrant to route
22 the Disputed Domains to the website of his choosing. As the legislative history of the ACPA
23 makes evident, such conduct is not considered “use.” S. Rep. 106-140, at 8-9 (“The concept of
24 ‘use’ does not extend to uses of the domain name made by those other than the domain name
25 registrant, such as the person who includes the domain name as a hypertext link on a web page or
26 _____

27 ¹ In addition to the citation forms defined in the prior papers, citations to Go Daddy’s Brief in
28 Support of its Motion for Summary Judgment will be in the form “MSJ at ___.” Citations to
Plaintiff’s Opposition will be in the form “Opp. at ___.” Citations to Go Daddy’s Opposition to
Plaintiff’s Motion for Partial Summary Judgment will be in the form “GDOpp. at ___.”

1 as part of a directory of Internet addresses.”).

2 Ignoring that there is no underlying “use,” Petronas argues that agreements between Go
3 Daddy and the registrant somehow gave Go Daddy a “license” to use the Disputed Domains. Opp.
4 at 7-8. It simply does not follow, though, that Go Daddy’s contractual right to terminate service
5 equates to a license to use the registrant’s domain names. *Id.* Nor does the fact that the *registrant*
6 can “us[e *Go Daddy’s*] systems to forward a domain” imply that *Go Daddy* has a reciprocal license
7 to use the *registrant’s* domain names. *Id.* at 7. Petronas’s argument that Go Daddy used the
8 domains *and* was licensed by the registrant to do so makes no sense and is wholly unsupported by
9 evidence.²

10 **2. There Is No Evidence That Go Daddy Had A Bad Faith Intent**
11 **To Profit From Petronas’s Trademark**

12 **i. Go Daddy Had No Intent To Profit From Petronas’s Mark**

13 There is no evidence to suggest that Go Daddy had any intent to profit *from Petronas’s*
14 *trademark*, let alone the requisite bad faith intent to profit from it. In fact, Petronas does not even
15 attempt to show intent to profit *specifically from Petronas’s trademark*, as is required. 15 U.S.C. §
16 1125(d)(1)(A)(i); *see also* MSJ at 15 (citing cases).

17 Petronas claims that Go Daddy’s conduct – the continued forwarding of the Disputed
18 Domains – was motivated by customer demand. Opp. at 11-13. According to Petronas, “[h]ad
19 GoDaddy stopped providing domain name forwarding for the Disputed Domains because of
20 Petronas’s complaint of cybersquatting,” it would have had to stop providing forwarding
21 “whenever that feature was the basis of a trademark complaint.” *Id.* at 13. Thus, Petronas
22 contends, “because domain names incorporating well known trademarks ... logically generate
23 larger amounts of Internet traffic, GoDaddy would have risked losing a substantial number of
24 customers using its 301 redirect forwarding service.” *Id.* This argument not only lacks any
25 connection to the Petronas trademark, but also is based on a flawed premise: that Go Daddy
26

27 ² Not even Petronas’s corporate representative believes that a registrar is entitled to “use” a
28 registrant’s domain name. Fiorino, Ex. 1 (Gaik, 29:2-30:5).

1 profited from customers using its forwarding service. In fact, Go Daddy provided domain name
2 forwarding for free as part of its overall registration services. *See* Roling, ¶ 2; Lansky, Ex. 4
3 (Hertz, 14:4-17).

4 Petronas’s related argument that Go Daddy sought to profit, in violation of the ACPA, by
5 establishing immunity from liability is similarly untenable. *Opp.* at 13-15. Essentially, Petronas
6 claims that Go Daddy refused to stop forwarding the Disputed Domains so as to instigate a lawsuit,
7 which Go Daddy would win, thereby setting a precedent establishing its immunity for conduct
8 which “is the same as GoDaddy’s conduct with respect to as many as 9,000 other domain names
9 over the past nine years.” *Id.* This precedent, Petronas’s argument goes, might preserve Go
10 Daddy’s corporate profitability generally, and thus would trigger the “intent to profit” requirement
11 of the statute. This is a preposterous argument. There is no evidentiary support for any aspect of
12 this purported scheme, and the alleged intent to profit, or rather to avoid liability, is admittedly *not*
13 tied to *Petronas’s mark*, as required by law.

14 **ii. Go Daddy’s Maintenance Of The Status Quo Was Reasonable,**
15 **Appropriate, and In Good Faith**

16 There can be no dispute that Go Daddy’s challenged conduct – maintaining the status quo
17 following notification of Petronas’s trademark claim – was undertaken in good faith. As detailed
18 in Go Daddy’s Motion for Summary Judgment, Go Daddy’s intent in maintaining the status quo
19 until receipt of a court order was to comply with its standard operating procedures (“SOP”) and to
20 implement ICANN’s Uniform Dispute Resolution Policy (“UDRP”) (upon which its SOP was
21 based). MSJ at 14. Go Daddy repeatedly explained to Petronas that, under the UDRP, it does not
22 get involved in domain name disputes and instead maintains the status quo until receipt of
23 directions from the registrant, an order from a court or arbitral tribunal, or the decision of an
24 administrative panel. *Id.* at 9.³ The fact that, as Petronas points out, certain witnesses could not
25 name the corporate policy applied by Go Daddy, or that Go Daddy generally intended “to provide
26

27 ³ As Petronas’s expert testified, registrars, in her experience, only “take down” domain
28 names in exceptional circumstances, such as criminal attacks on the Domain Name System
 (“DNS”). Fiorino, Ex. 2 (Dam, 107:8-108:9).

1 registrar services concerning the [Disputed Domains]” (Opp. at 9-10) in no way calls into question
2 Go Daddy’s good faith. In fact, the plain language of the URDP provides “reasonable grounds to
3 believe” that Go Daddy’s conduct was “fair ... or otherwise lawful.” 15 U.S.C. §
4 1125(d)(1)(B)(ii). There thus can be no liability.

5 Moreover, the proposition that Go Daddy should have acted as the arbiter of Petronas’s
6 trademark claim – as well as all other trademark claims presented to it (Opp. at 10-11) – is contrary
7 to the provisions of the UDRP, controlling case law and common sense. *See generally* MSJ at 19-
8 20. As the Court recognized in *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp.
9 949, 963, 966 (C.D. Cal. 1997), *aff’d*, *Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d
10 980 (9th Cir. 1999) (“*Lockheed I*”), registrars are in no position to evaluate whether a registrant’s
11 use of a domain name is infringing, and they have no legal duty to do so. This sentiment was
12 echoed in *Lockheed Martin Corp. v. Network Solutions, Inc.*, 141 F. Supp. 2d, 648, 654-55 (N.D.
13 Tex. 2001) (“*Lockheed II*”):

14 Sheer volume alone would prohibit defendant performing the role plaintiff would
15 assign. Defendant simply could not function as a registrar, or as keeper of the
16 registry, if it had to become entangled in, and bear the expense of, disputes
regarding the right of a registrant to use a particular domain name.

17 *Id.* at 655. Forcing registrars to implement an expensive, burdensome and likely inaccurate
18 process of determining trademark disputes would have a devastating impact on the industry. *See,*
19 *e.g.* Brief of *Amici Curiae* of Register.com and Networks Solutions at 7-8; Brief of *Amicus Curiae*
20 *eNom, Inc.* at 6-10; Fiorino, Ex. 2 (Dam, 104:23-107:7).

21 Nor do Go Daddy’s alleged profit motives supply the missing “bad faith” intent. Petronas
22 claims that Go Daddy was generally motivated by customer demand for forwarding. Opp. at 11-
23 13. But there is nothing nefarious about Go Daddy providing this basic registrar service at the
24 request of its customers. Similarly, Go Daddy’s desire to avoid the considerable commercial
25 consequences that would befall the domain name industry should registrars be held liable for
26 providing services in this manner (Opp. at 13-15) is rational, expected, and plainly not a sign of a
27 “bad faith” intent to profit from Petronas’s trademark.

1 **B. GO DADDY IS NOT LIABLE FOR CONTRIBUTORY CYBERSQUATTING**

2 **1. A Claim for Contributory Cybersquatting Does Not Exist Under the**
3 **Circumstances of this Case**

4 Petronas is correct that Congress enacted the ACPA against the backdrop of existing
5 principles of contributory trademark infringement liability. *See* Opp. at 2. But Congress did not
6 enact a new standard for contributory liability, and therefore this Court must presume that it meant
7 for only traditional principles to apply. *See Meyer v. Holley*, 537 U.S. 280, 286-87 (2003). Here,
8 Go Daddy’s challenged conduct does not come close to falling within the traditional principles of
9 contributory trademark liability.

10 Following *Inwood Labs., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 854 (1982), and before
11 enactment of the ACPA, the Seventh and Ninth Circuits recognized, only in exceptional
12 circumstances, claims for secondary trademark infringement outside of the context of inducement
13 or a manufacturer or distributor of an infringing product. *See Fonovisa Inc. v. Cherry Auction,*
14 *Inc.*, 76 F.3d 259 (9th Cir. 1996); *Hard Rock Cafe Licensing Corp. v. Concession Serv., Inc.*, 955
15 F.2d 1143 (7th Cir. 1992). In these cases, the courts permitted the claims because the defendants
16 were in the positions of landlords and therefore had a common law duty to prevent torts from being
17 committed on their premises once they knew or had reason to know of the tortious conduct. *See*
18 *Fonovisa*, 76 F.3d at 265; *Hard Rock*, 955 F.2d at 1149. Here, Petronas has utterly failed to
19 explain how Go Daddy’s provision of domain name forwarding services is anything like a lessor or
20 landlord of real estate.

21 Notably, the Ninth Circuit has already concluded that a company providing an Internet
22 routing service does not exercise the type of direct control and monitoring that would justify
23 recognition of a contributory infringement claim. *See Lockheed I*, 194 F.3d at 980. The
24 undisputed evidence demonstrates that the service at issue here, domain name forwarding, is a
25 form of routing. *See Palage*, ¶¶ 41-56. Thus, permitting a “contributory cybersquatting” claim
26 based on a forwarding service cannot be squared with the Ninth Circuit’s rejection of such a claim
27 based on the same conduct in the context of traditional trademark infringement.

1 **2. Petronas is Wrong that Courts Apply The Same Tests for**
2 **Contributory Infringement and “Contributory Cybersquatting”**

3 Petronas’s assertion that “[c]ourts apply the same analysis to contributory cybersquatting
4 claims as they apply to contributory trademark claims” (Opp. at 2) is plain wrong. No Circuit
5 Court has ever addressed the circumstances under which a “contributory cybersquatting” claim
6 might exist, let alone the test that would be applied. *Louis Vuitton Malletier, S.A. v. Akanoc*
7 *Solutions, Inc.*, --F.3d--, 2011 WL 4014320 (9th Cir. Sept. 9, 2011), cited by Petronas, involves a
8 traditional contributory infringement claim based on the sale of counterfeit goods. *See id.* at *1-2.
9 As for the few district courts to address such a claim, the two cited by Petronas make clear,
10 significantly, that a heightened standard of knowledge would need to be applied because the
11 underlying offense depends upon a third party’s intent, rather than evident, outward conduct (*i.e.*
12 the sale of infringing products). *See Solid Host, NL v. NameCheap, Inc.*, 652 F. Supp.2d 1092,
13 1116 (C.D. Cal. 2009) (“because a defendant in NameCheap’s position may not easily be able to
14 ascertain a customer’s good or bad faith, the court agrees with the *Ford Motor Co.* court that
15 ‘exceptional circumstances’ must be shown to prove the degree of knowledge required to impose
16 contributory liability for cybersquatting”); *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F.
17 Supp. 2d 635, 647 (E.D. Mich. 2001); *see also, Microsoft Corp. v. Shah*, No. C10-0653 RSM,
18 2011 WL 108954, at *2 (W.D. Wash. Jan. 12, 2011). As set forth below in Section II(B)(5), no
19 exceptional circumstances are present here.

20 **3. Petronas’s Evidence Is Inadequate to Establish Cybersquatting By**
21 **The Non-Party Registrant**

22 Petronas’s contributory cybersquatting claim also fails due to the lack of evidence that the
23 registrant of the Disputed Domains has engaged in cybersquatting. Significantly, there has been
24 no finding of cybersquatting and no discovery from the registrant, or from others, regarding his
25 intent. *See MSJ* at 17.

26 Petronas’s argument that discovery from the registrant would not be probative because he
27 would most likely lie (Opp. at 3) misses the point. A determination of cybersquatting requires “the
28 weighing of evidence, particularly each individual defendant’s credibility.” *Ford*, 177 F. Supp. 2d

1 at 646. Thus, the opportunity to evaluate the alleged cybersquatter’s explanation is critical. In
2 fact, had Petronas sought discovery from the registrant, there would be a record as to whether or
3 not the registrant ever had any rights in the Disputed Domains, or was aware of the Petronas
4 trademark at the time he registered and used the Disputed Domains. As it stands, there is no proof
5 on these, or on several other of the statutory bad faith factors. *See* GDOpp. at 17. This includes
6 the “intent to divert consumers from the mark owner’s online location diverted customers” factor,
7 15 U.S.C. § 1125(d)(1)(B)(i)(V), since the record reflects that none of Petronas’s customers has
8 ever complained about having been diverted. *See* GDOpp. at 17.

9 Moreover, and contrary to Petronas’s argument, it is far from clear that Petronas ever
10 sought to locate the registrant for purposes of obtaining discovery. Petronas relies exclusively on
11 papers from the *in rem* actions, which merely show that Petronas sent copies of the *in rem* action
12 papers to the registrant by both FedEx and email. OPPAPP000018, 123, 141. There is no
13 evidence that Petronas tried, but failed, to locate the registrant as contended. Indeed Petronas’s
14 own evidence reflects that the papers were delivered to the address provided by the registrant,
15 indicating it was a valid address. OPPAPP000152. Nor is there any evidence that Petronas tried
16 but was unable to use well-recognized means of obtaining discovery from an individual located in
17 another country. That an individual in a foreign country did not respond to a U.S. lawsuit or
18 contact Go Daddy to complain about the transfer has no bearing on whether Petronas tried to, or
19 could have, obtained discovery from him.⁴

20 Finally, Petronas asks this Court to infer a bad faith intent to profit from Petronas’s mark
21 simply because the Disputed Domains have been found to be “confusingly similar” to such mark
22 and there is no evidence that the registrant had a legitimate intent. Opp. at 4-5. But there is no
23 evidence either way as to the registrant’s actual intent, and use of another’s mark in a domain name
24 alone is insufficient to find cybersquatting; if it were, there would be no need for the “bad faith
25 intent to profit from [another’s] mark” element of the claim. *See, e.g., Competition Specialties,*

26
27 ⁴ Petronas incorrectly claims that Go Daddy refused to produce information regarding the
28 registrant. Opp. at 4. In fact, Go Daddy produced all such records in its possession (including
account information containing correspondence with the registrant) as well as a witness (Mr.
Bilunes) who testified extensively about the contents of those records.

1 *Inc. v. Competition Specialties, Inc.*, 87 F. App'x. 38, 42-43 (9th Cir. 2004).

2 **4. Go Daddy Did Not Exercise “Direct Control and Monitoring” Over**
3 **the Alleged Cybersquatting**

4 There is no evidence to support a finding that Go Daddy exercised the type of direct control
5 and monitoring of the registrant’s conduct that could give rise to contributory liability. As the
6 Ninth Circuit has already held, domain name registration and routing services are just that –
7 services – and providing registration and routing “does not entail the kind of direct control and
8 monitoring required to justify an extension” of traditional secondary liability principles. *Lockheed*
9 *I*, 194 F.3d at 984-85. Unlike a manufacturer or distributor of a product that is palmed off by the
10 party to whom it is delivered, or a landlord or lessor of space at a flea market or swap meet that is
11 used to sell counterfeit goods, Go Daddy has no duty or ability to control and monitor its
12 registrants’ conduct to determine if they are engaged in unlawful behavior. Forwarding is akin to
13 the taxi that merely delivers customers to the flea market where counterfeit goods are sold.

14 Furthermore, Petronas’s suggestion that the registrant’s cybersquatting was not
15 accomplished through selection of the Disputed Domains (which Petronas concedes is not
16 controlled by Go Daddy), but rather by using Go Daddy’s forwarding service, is way off the mark.
17 A claim under the ACPA based upon “use” requires *both* (1) registration of a domain name that is
18 identical or confusingly similar to another’s trademark, *and* (2) use of that domain name with the
19 bad faith intent to profit from a trademark. *See* 15 U.S.C. § 1125(d). In this case, had the
20 registrant registered domain names that did not contain the term “petronas,” there could be no
21 cybersquatting regardless of his use of Go Daddy’s forwarding service. Similarly, had the website
22 to which the Disputed Domains were forwarded contained, for example, a critique of Petronas’s
23 business practices, there would be no cybersquatting claim. Domain forwarding standing alone is
24 not the instrumentality used for cybersquatting.

25 Petronas has presented no evidence that Go Daddy had any control over the registrant
26 either when he registered the Disputed Domains, or when he used Go Daddy’s forwarding service
27 to route Internet users to a third-party website. This is simply not the type of situation that can
28 give rise to contributory liability. *Cf. Perfect 10, Inc. v. Visa Int’l Serv., Ass’n*, 494 F.3d 788, 807

1 (9th Cir. 2007) (defendant credit card company, which provided critical support to website hosting
2 infringing content, and which could have stopped or reduced infringing activity upon receipt of
3 notice from plaintiff, did not exercise the type of “direct control” justifying imposition of
4 contributory trademark liability).

5 Finally, Petronas’s reliance upon *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.* is
6 misplaced. First, that action did not involve a cybersquatting claim, so there was no issue as to
7 whether the defendant exercised any control over the underlying infringer’s intent. Second, the
8 defendant in that action hosted websites that directly infringed the plaintiff’s trademarks, and the
9 claim of contributory infringement was based upon the defendant’s “hosting the websites and
10 willfully permitting websites to display the products.” *See Louis Vitton Malletier, S.A.*, -- F.3d--,
11 2011 WL 4014320, at *1, 2. The instrumentality used by a third party to infringe the plaintiff’s
12 trademarks was the websites that were hosted on the defendant’s servers, which the Court found to
13 be “the Internet equivalent of leasing real estate.” *Id.* at *3. Thus, because the defendant had
14 direct control over the websites, which were the means of infringement, this element of a
15 contributory infringement claim was met. No such facts are present here.

16 **5. Go Daddy Was Not Willfully Blind to Alleged Cybersquatting**

17 As Go Daddy has established, there are no “exceptional circumstances” that would justify
18 imputing to Go Daddy knowledge that the registrant registered and then forwarded the Disputed
19 Domains with a bad faith intent to profit from Petronas’s mark. MSJ at 18-20. Notably, Petronas
20 does not even acknowledge the heightened “exceptional circumstances” requirement, let alone
21 point to any evidence that could meet it; instead, it mistakenly cites to the “reason to suspect”
22 standard from traditional trademark infringement cases. Here, Go Daddy merely received a
23 “trademark claim” demonstrating that someone had registered a domain name that included the
24 trademark owner’s mark. Hanyen, Exs. 9, 11. It directed the claimant to the UDRP procedure,
25 locked the Disputed Domains once Petronas initiated legal proceedings, and transferred the
26 Domain Names to Petronas upon receipt of transfer orders. MSJ at 7-10. This is the standard
27 procedure followed by Go Daddy for over a thousand domain disputes each year (Opp. at 13), and
28 there is nothing exceptional about it.

1 The law is clear that, where a third party is using a domain name containing another's
2 trademark, receipt of a demand letter is insufficient to impute knowledge of unlawful use or trigger
3 a duty to investigate. *See Lockheed Martin Corp.*, 985 F. Supp. at 963-64; *Solid Host*, 652 F.
4 Supp. 2d at 1116. Here, Petronas's notices did not give Go Daddy a "reason to suspect" that its
5 registrant was engaged in cybersquatting, since they merely provided information demonstrating
6 that someone had registered Domain Names incorporating marks owned by Petronas. This is a far
7 cry from the circumstances of the only case cited by Petronas where the court even suggested the
8 facts could give rise to exceptional circumstances – *Fonovisa*, 76 F.3d at 261 – in which the
9 Sheriff's Department had raided the defendant's property and seized more than 38,000 counterfeit
10 recordings.

11 **C. GO DADDY IS PROTECTED BY THE SAFE HARBOR OF THE ACPA**
12 **AND ENSUING CASE LAW**

13 Petronas recognizes that the ACPA's safe harbor precludes liability of any "domain name
14 registrar ... for the registration or maintenance of a domain name for another absent a showing of
15 bad faith intent to profit from such registration or maintenance." *Opp.* at 15, quoting 15 U.S.C. §
16 1114(d)(D)(iii). It nonetheless argues that Go Daddy's conduct – maintaining the status quo by
17 continuing to forward the Disputed Domains (*Opp.* at 8-9) – is somehow outside the functions of a
18 registrar. *Solid Host*, 652 F. Supp. 2d at 1104-05 ("where the record indicates that a defendant did
19 nothing more than act as a registrar, no liability under § 1125(d) will lie"); *Verizon California, Inc.*
20 *v. OnlineNIC, Inc.*, 647 F. Supp. 2d 1110, 1126 (N.D. Cal. 2009) (recognizing immunity for
21 registrar acting as registrar). *See also Opp.* at 16 (citing cases for proposition that immunity is
22 applicable where the "registrar is acting as a registrar").

23 The evidence overwhelmingly establishes that Go Daddy was indeed acting as a registrar
24 when it provided forwarding services to the Disputed Domains (as well as to the 8.2 million other
25 domains using its forwarding service (Roling, ¶ 13)). As detailed in Go Daddy's opening brief,
26 forwarding is simply a form of routing and is almost universally offered by registrars as part of
27 domain name registration services. *MSJ* at 21; *Palage*, ¶¶ 41-56. Indeed, the recognition of
28 forwarding as a basic registrar service is echoed throughout the record, as well as by the three

1 *amici curiae* who filed briefs in support of Go Daddy’s instant Motion for Summary Judgment,
2 and in countless online sources and several judicial opinions. *See* GDOpp. at 12-13.

3 Petronas cites to reports by two expert witnesses, Tina Dam and Kevin Fitzsimmons, to
4 support its argument that domain name forwarding is not part of registration or maintenance
5 services. Neither of these reports, however, is persuasive.⁵ Both experts testified that selection of
6 a name server for routing or forwarding is an essential part of the domain name registration
7 process (Fiorino, Exs. 3 (Fitzsimmons, 47:5-48:21, 54:16-55:9) & 2 (Dam, 121:12-122:23)); that
8 resolution of domain names is impossible without registrars identifying servers in this manner (*id.*,
9 Exs. 2 (Dam, 114:5-118:13) & 3 (Fitzsimmons, 48:12-25, 57:14-21)); that routing or forwarding is
10 a wholly automated process in which registrars act at the initiative of their customers (*id.*, Exs. 2
11 (Dam, 115:20-116:25) & 3 (Fitzsimmons, 65:2-14)); and that forwarding services are routinely
12 used by businesses and individuals for important, legitimate purposes. *Id.*, Exs. 2 (Dam, 118:24-
13 121:5) & 3 (Fitzsimmons, 14:7-15). In addition, the specific opinion of Ms. Dam highlighted by
14 Petronas in its opposition – that forwarding is distinct from “initial registration” of a domain name
15 – is immaterial to the immunity analysis.

16 In contrast, Go Daddy’s expert witness, Michael Palage – a lawyer, engineer, former
17 member of ICANN’s Board of Directors, and one of the drafters of the UDRP (Palage, ¶¶ 2-11) –
18 significantly undermines Petronas’s argument. Mr. Palage, in reaching his opinion, considered the
19 allegations in the First Amended Complaint, the Court’s record in this lawsuit, the legislative
20 history of the ACPA, the ACPA, court decisions interpreting the ACPA, the evolution of the
21 domain name business, public information about the forwarding practices of registrars with over
22 65% market share, as well as his considerable business experience working with both registries
23 and registrars. *See* Palage, ¶¶ 8, 12. Mr. Palage opines that the services rendered by Go Daddy in
24

25 ⁵ It is significant that, according to deposition testimony and Petronas’s expert reports, neither
26 of the expert witnesses reviewed both the claims and defenses in this matter (Fiorino, Exs. 2 (Dam,
27 110:5-112:10) & 3 (Fitzsimmons, 67:6-68:24)); neither reviewed the ACPA or the case law
28 construing it (*id.*, Ex. 2 (Dam, 103:6-104:1)); neither has trademark law expertise (*id.*, Exs. 2
(Dam, 74:1-4, 77:21-24, 79:6-11, 80:1-4, 81:11-16) & 3 (Fitzsimmons, 29:20-22, 30:22-24, 31:9-
11, 32:1-3 & 21-23)); and neither was the primary drafter of the expert report (instead, the reports
were apparently drafted by Petronas’s counsel). *Id.*, Ex. 2 (Dam, 40:18-50:7).

1 this matter “are the very type of services intended to fall within the registrar safe harbor provision
2 set forth in the [ACPA] ...” and that “there has been no bad faith in connection with the domain
3 name registration or resolution services that Go Daddy has provided with respect to [the Disputed
4 Domains].” Palage, ¶¶ 14-15. Mr. Palage has also prepared a detailed rebuttal report addressing
5 the opinions of Petronas’s experts. Fiorino, Ex. 4.

6 Finally, Go Daddy’s immunity from Petronas’s claims is even more apparent upon close
7 examination of the *Lockheed* cases, which Petronas, again, tries urgently to distinguish. The fact
8 that, as Petronas points out, the registrar-defendant in those cases, Network Solutions⁶, also acted
9 as a registry does not alter this analysis. The *Lockheed* decisions are not based upon Network
10 Solutions’ dual role as registrar and registry, but rather upon its *actions* – the registration and
11 routing of domain names corresponding to plaintiff’s trademark. They hold, unequivocally, that
12 there is no direct or secondary liability based on such conduct.

13 As to *Lockheed I*, Petronas mischaracterizes the court’s decision and takes quotes out of
14 context. First, nowhere in the district court or appellate decisions are any determinations qualified
15 by the fact that Network Solutions happened also to serve as a registry. Second, in context, the
16 district court quote now highlighted by Petronas – that the registrar was not involved in “linking
17 domain names with potentially infringing resources such as Web sites” – merely indicates that
18 Network Solutions, like Go Daddy here, had no role in *deciding* to link the disputed domain name
19 with the allegedly infringing website; the registrant alone made that decision, and then instructed
20 the passive registrar to route Internet traffic accordingly. *Lockheed Martin Corp.*, 985 F. Supp. at
21 961-962 (internal citations omitted). Third, in context, the other quote highlighted by Petronas –
22 that “[a]fter a domain name is registered, [the registrar’s] involvement is over” (*id.*) – merely
23 emphasizes that the registrar was not involved in placing infringing content at the destination
24 website, or in the decision to point a domain name there.

25 Importantly, the subsequent *Lockheed II* decision takes into account Congress’s passage of
26 the ACPA. The ACPA safe harbor, intended to codify *Lockheed I*, applies broadly to “a domain

27
28 ⁶ Network Solutions has filed *amicus* papers in support of Go Daddy’s summary judgment motion.

1 name registrar or domain name registry or other domain name authority.” 15 U.S.C.
2 § 1114(2)(D)(i). Petronas’s argument that the *Lockheed II* decision is “completely inapplicable”
3 because Network Solutions “performed any ‘routing’ . . . by virtue of its function as a registry”
4 (Opp. at 19) is flatly contradicted by the wording of the decision: “[h]aving studied the [ACPA] in
5 the light of the summary judgment record, the court cannot conclude that it creates a cause of
6 action against the defendant *as a domain name registrar or registry.*” *Lockheed II*, 141 F.Supp.2d
7 at 654 (emphasis added).

8 **D. PETRONAS HAS ABANDONED ITS UNFAIR COMPETITION CLAIM**

9 Go Daddy is entitled to summary judgment on Petronas’s unfair competition claim
10 because, by failing to respond to Go Daddy’s motion as to that claim, Petronas has abandoned it.
11 *See Jenkins v. County of Riverside*, 398 F.3d 1093, 1095 n.4 (9th Cir. 2005); *Shakur v. Schriro*,
12 514 F.3d 878, 892 (9th Cir. 2008).

13 **E. PETRONAS’S TRADEMARK REGISTRATION SHOULD BE**
14 **CANCELLED**

15 Despite defending the entirety of trademark Registration No. 2,969,707 for nearly two
16 years, Petronas has finally admitted to abandonment of most of the goods listed therein. In a filing
17 two weeks ago with the U.S. Patent and Trademark Office (“PTO”), Petronas voluntarily deleted
18 the majority of listed goods. OPPAPP3025-56. However, the remainder of the Registration has
19 been abandoned as well and there are ample grounds for the Court to cancel it in its entirety.⁷

20 Petronas does not dispute that three consecutive years of non-use of a trademark creates a
21 prima facie case, or rebuttable presumption, of abandonment. 15 U.S.C. § 1127; *Abdul-Jabbar v.*

23 ⁷ Petronas tries to distract from the merits of Go Daddy’s counterclaim by rehashing already
24 failed arguments challenging Go Daddy’s standing. Pl. Opp. to Mot. for Leave to Amend at 2-4.
25 Dkt # 100. As Go Daddy already explained in its earlier reply in support of its motion for leave to
26 amend at 2-6. Dkt # 103. Petronas is using the registration as a sword against Go Daddy in a
27 federal lawsuit; this is sufficient to confer standing. *See World Market Center Venture, LLC v.*
28 *Texas Int’l Prop. Assocs.*, No. 208-CV-01753-RCJ-GWF, 2009 WL 3303758, at *3 (D. Nev. Oct.
14, 2009) (“being sued for infringement . . . is sufficient to support standing for a counterclaim for
cancellation.”); *Roxbury Entm’t v. Penthouse Media Group, Inc.*, No. 08 CV 3872 FMC (JWJX),
2009 WL 2950324, at *3 (C.D. Cal. Apr. 3, 2009). *See* additional discussion and cases cited in Go
Daddy’s July 7, 2011 Reply, Dkt #101. After consideration of these very arguments and
authorities, this Court rejected Petronas’s position on standing. *See* Order, Dkt # 105.

1 *Gen. Motors Corp.*, 85 F. 3d 407, 411 (9th Cir. 1996); *Unuson Corp. v. Built Entm't Group, Inc.*,
2 No. C 05-0305 MHP, 2006 WL 194052, at *4 (N.D. Cal. Jan. 23, 2006). Indeed, Petronas admits
3 that the “presumption places a burden of production on the party contesting abandonment,” Opp. at
4 22. The onus is – as it must be – on Petronas to *produce* evidence that the specific design mark in
5 the Registration is in use in U.S. commerce. From there, Go Daddy and the Court can only assume
6 that this is the best evidence of use that Petronas can provide, and must make inferences about use
7 or non-use of the mark. *See Auburn Farms Inc. v. McKee Food Corp.*, No. 22060, 1999 WL
8 588247, at *7 (T.T.A.B. 1998) (finding abandonment through nonuse from a scant record because
9 “[e]specially when a party must prove a negative, as in proving abandonment through nonuse,
10 without resort of proper inferences the burdened party could be faced with an insurmountable
11 task.”) (quoting *Cerveceria Centroamericana, S.A. v. Cerveceria India, Inc.*, 892 F.2d 1021, 1024
12 (Fed. Cir. 1989). For a registrant using a mark in the U.S., it is not difficult to meet the standard;
13 all Petronas had to produce were labels or photographs showing the design mark in the
14 Registration affixed to the goods or their packaging, along with evidence that such labeling was
15 used continuously (without a three-year gap) since the registration date. Petronas has not done so.

16 Petronas points to over a hundred pages of documents without explanation. Opp. at 24.
17 The great majority of these documents (OPPAPP 377-384) are copies of bills of lading, which do
18 not show any trademark use for any mark and do not even display the oil drop design in the
19 Registration. The remaining pages are invoices, all of which fail to meet Petronas’s burden to
20 show use of the mark for numerous reasons:

21 Affixation. Invoices generally do not satisfy the affixation requirement. *See* MSJ, at 23-
22 24. Contrary to Petronas’s protestations that affixation is “impracticable” for similarly situated
23 petroleum goods, other trademark owners in Petronas’s position, such as Chevron, have been able
24 to submit labels – a classically acceptable specimen for goods – showing use of the mark to the
25 PTO. *See, e.g.*, Fiorino, Exs. 5, 6.

26 Trade Name Use. The few invoices not showing the different Petronas “Netherlands”
27 trademark show shipment to one person (Richard Erikson) under the ALTCO mark; the
28 PETRONAS and Design mark only appears in small very print in the letterhead within the text

1 “A Subsidiary Company of Petronas.” OPPAPP3040-55. This is trade name use, not the brand-
2 like trademark use necessary to support a U.S. trademark registration. *See In re Supply Guys,*
3 *Inc.*, 86 USPQ 2d 1488, 1491 (TTAB 2008) (specimen showing mark in the ‘Ship From’ section
4 of mailing label constitutes trade name use only, not trademark use). In addition, the latest of
5 this small set of invoices is from January 11, 2008, nearly four years ago.

6 Mark Differs from the Mark in the Registration. The mark shown in a trademark specimen
7 must match the mark in the registration. Trademark Manual of Examining Procedure § 1604.13.
8 Even if the invoices were acceptable in this instance – which they are not – the few invoices
9 Petronas refers to (OPPAPP364-76) do not show use of the specific mark in the registration;
10 instead of showing the mark “PETRONAS” with a design, as required, the invoices show the term
11 “PETRONAS MARKETING (NETHERLANDS) B.V.” with a design. The addition of these
12 terms is not “mere styling” or “modernization,” but rather is a substantial change to the
13 commercial impression of the mark, and such specimens cannot be accepted.⁸ *Id.*

14 III. CONCLUSION

15 For the foregoing reasons, Go Daddy respectfully requests that the court grant its Motion
16 for Summary Judgment.

17 Dated: November 23, 2011

WILSON SONSINI GOODRICH & ROSATI

18 By: /s/ John L. Slafsky
JOHN L. SLAFSKY
19 DAVID L. LANSKY
HOLLIS BETH HIRE

20 Attorneys for Defendant GODADDY.COM, INC.

21 ⁸ Petronas misleadingly claims that the documents referenced here have been accepted by the
22 PTO “to support use in commerce of *the word-mark Petronas* in Registration No. 2,932,662.”
23 Opp. at 24 (emphasis added). This is false. First, Registration No. 2,932,662 is for the oil drop
24 design alone, and does *not* include the Petronas word mark (or any word mark). OPPAPP3059.
25 Second, some of the documents submitted as specimens with that registration do include a stamp
26 with the design mark alone, so they may support that particular design mark registration but not the
27 PETRONAS and Design registration at issue here. *See, e.g.*, OPPAPP3069-71. Third, the PTO
28 does not investigate abandonment of the mark in the U.S. unless a third party challenges the
registration; so the PTO could have accepted one document showing use of the mark despite years
of nonuse that, if examined, would reveal that the oil drop design has been abandoned as well.

It is notable that Petronas could have filed the same Affidavit of Use at the same time for
the registration at issue in this case, but instead waited until two weeks ago, after the period to
submit such a declaration had already expired, to make such filing. The only explanation for this
timing is that Petronas was hoping to avoid a negative PTO ruling on its affidavit before a decision
on summary judgment in this case.