

1 PERRY R. CLARK, State Bar No. 197101  
 LAW OFFICES OF PERRY R. CLARK  
 2 825 San Antonio Road  
 Palo Alto, CA 94303  
 3 Telephone: (650) 248-5817  
 Facsimile: (650) 618-8533  
 4 perry@perryclarklaw.com

5 Attorney for Plaintiff  
 PETROLIAM NASIONAL BERHAD (PETRONAS)

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

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 OAKLAND DIVISION

PETROLIAM NASIONAL BERHAD (PETRONAS),	)	CASE NO: 09-CV-5939 PJH (MEJ)
	)	
Plaintiff,	)	Noticed Hearing Date: December 7, 2011
	)	Noticed Hearing Time: 9:00 a.m.
	)	
vs.	)	
	)	
GODADDY.COM, INC.,	)	
	)	
Defendant.	)	

**PLAINTIFF PETRONAS'S  
 OPPOSITION TO DEFENDANT  
 GODADDY.COM, INC'S MOTION FOR SUMMARY JUDGMENT**

Table of Contents

1

2 **I. GODADDY COMMITTED CONTRIBUTORY CYBERSQUATTING..... 2**

3     **A. The Evidence Of The Registrant’s Cybersquatting Is Overwhelming**

4     **And Was Well Known To GoDaddy ..... 3**

5     **B. GoDaddy Exercised Direct Control And Monitoring Over Its Domain**

6     **Name Forwarding Service For The Disputed Domains ..... 5**

7     **C. GoDaddy Was, At Least, Willfully Blind To The Registrant’s**

8     **Cybersquatting..... 6**

9 **II. GODADDY IS LIABLE FOR DIRECT CYBERSQUATTING ..... 7**

10     **A. GoDaddy Was The Registrant’s Authorized Licensee When It “Used”**

11     **The Disputed Domains ..... 7**

12     **B. The Undisputed Facts Establish That GoDaddy Had A Bad Faith**

13     **Intent To Profit From The Petronas Marks..... 8**

14         **1. GoDaddy’s Argument Regarding “Volitional Conduct” Is**

15         **Irrelevant To Petronas’s Cybersquatting Claim ..... 8**

16         **2. GoDaddy Did Not Have “Reasonable Grounds To Believe” Its**

17         **Use Of The Disputed Domains Was A “Fair Use Or Otherwise**

18         **Lawful” ..... 9**

19         **3. GoDaddy Continued To Provide Its Domain Name Forwarding**

20         **Service Because Of Customer Demand..... 11**

21         **4. GoDaddy Intended To Profit From Petronas’s Marks By**

22         **Establishing Its Immunity From Liability For Its Conduct**

23         **Concerning The Disputed Domains ..... 13**

24 **III. GODADDY WAS NOT ACTING AS A REGISTRAR PERFORMING THE**

25 **REGISTRATION OR MAINTENCE OF THE DISPUTED DOMAIN**

26 **NAMES ..... 15**

27 **IV. THE PETRONAS TRADEMARK REGISTRATION SHOULD NOT BE**

28 **CANCELLED ..... 20**

**A. GoDaddy Lacks Standing To Seek Cancellation Of The Petronas**

**Registration ..... 20**

**B. Even If GoDaddy Had Standing, There Is No Evidence Of**

**Abandonment ..... 22**

**C. GoDaddy Points To No Evidence That Would Support Cancellation**

**Under Section 44(e)..... 24**

**CASES**

1

2

3 *A&H Trans., Inc. v. Save Way Stations, Inc.*, 115 U.S.P.Q. 251,135 A.2d 289, 335  
(MD. 1957) ..... 24

4 *Abdul–Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 411 (9th Cir.1996) ..... 23

5 *Academy of Motion Picture Arts and Science v. Network Solutions*, 989 F. Supp.  
6 1276 (C.D. Cal. 1997)..... 10

7 *Avedis Zildjian Co. v. Fred Gretsch Mfg. Co.*, 251 F.2d 530 (2nd Cir. 1958) ..... 21

8 *Baidu, Inc. v. Registration.com, Inc.*, 760 F. Supp.2d 312, 320 (S.D.N.Y. 2010)..... 15

9 *Bellagio Jewelry, Inc. v. Croton Watch Co., Inc.*, 2008 WL 3905895, \*5 (C.D.  
10 Cal. 2008)..... 23

11 *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1047 (9th  
12 Cir.1999) ..... 22

13 *Coca–Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir.1982)..... 22

14 *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*, 304 F.3d 1167, 1175  
(11th Cir. 2002)..... 23

15 *Dell Inc. v. BelgiumDomainsLLC*, 2007 WL 6862342 \*5 (S.D. Fla. 2007)..... 16

16 *Electro Source, LLC v. Brandess-Kalt-Aetna Group, Inc.*, 458 F.3d 931, 935 (9th  
17 Cir.2006) ..... 22

18 *Emergency One, Inc. v. Am. FireEagle Ltd.*, 228 F.3d 531, 535–37 (4th Cir.2000) ..... 23

19 *Finovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 265 (9th Cir. 1996)..... 14

20 *Ford Motor Co. v. Greatdomains.Com, Inc.*, 177 F. Supp.2d 635, 646 (E.D. Mich.  
2001) ..... 10

21 *General Healthcare Limited v. Qashat*, 254 F. Supp.2d 193, 204 (D. Mass. 2003) ..... 21

22 *Ging v. Showtime Entertainment, Inc.*, 570 F. Supp. 1080, 1084 (D. Nev. 1983)..... 21

23 *Grocery Outlet Inc. v. Albertson's Inc.*, 497 F.3d 949, 952–53 (9th Cir. 2007) ..... 23

24 *Hard Rock Café Licensing, Inc. v. Concession Services, Inc.*, 955 F.2d 1143, 1149  
25 (7th Cir. 1992)..... 15

26 *In Re Houbigant, Inc.*, 914 F. Supp. 997, 1002 (S.D.N.Y. 1996)..... 21

27

28

1	<i>Lockheed Martin Corp. v. Network Solutions, Inc.</i> , 194 F.3d 980, 984 (9th Cir. 1999) .....	10
2		
3	<i>Lockheed Martin Corp. v. Network Solutions, Inc.</i> , 985 F. Supp. 949 (C.D. Cal. 1997) .....	10
4	<i>Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.</i> , —F.3d—(9th Cir. 2011), 2011 WL 4014320, *3 .....	4
5		
6	<i>Panavision Int’l. v. Toepfen</i> , 141 F.3d 1316, 1319 (9th Cir 1998) .....	10
7	<i>Quiksilver, Inc. v. Kymsta Corp.</i> , 466 F.3d 749, 755 (9th Cir.2006).....	22
8	<i>Solid Host, NL v. Namecheap, Inc.</i> , 652 F. Supp.2d 1092, 112 (C.D. Cal.2009).....	10
9	<i>Star-Kist Foods, Inc. v. P.J. Rhodes &amp; Co.</i> , 769 F.2d 1393, 1396 (9th Cir.1985).....	23
10	<i>Tiffany (NJ), Inc. v. eBay, Inc.</i> , 600 F.3d 93, 109-110 (2nd 2010).....	14
11	<i>Transamerica Corp. v. Moniker Online Services, LLC</i> , 672 F. Supp.2d 1353, 1367 (S.D. Fla. 2009).....	3
12		
13	<i>Verizon California, Inc. v. OnlineNIC, Inc.</i> , 647 F. Supp.2d 1110, 1126 (N.D. Cal. 2009) .....	16
14		
15	<i>Yard-Man, Inc. v. Getz Exterminators, Inc.</i> , 157 U.S.P.Q. 100, 1968 WL 8094 (T.T.A.B. 1968) .....	22

**STATUTES**

17	15 U.S.C. § 1117(d) .....	8
18	15 U.S.C. § 1125(d)(1)(B)(i) .....	6
19	15 U.S.C. § 1127 .....	22, 24
20	15 U.S.C. §1064.....	20
21	15 U.S.C. §1125(d)(1)(D).....	2
22	Fed. R. Civ. P. 56(d) .....	1, 3, 12

**TREATISES**

25	<i>3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition</i> , § 17.12 at 17–20 (4th ed. 2008) .....	23
26	<i>McCarthy J., McCarthy on Trademarks and Unfair Competition</i> , §20:12 (2010).....	22
27	<i>Restatement, Torts</i> , §719 Comment b.....	24

1 **INTRODUCTION**

2 GoDaddy’s motion should be denied as to contributory cybersquatting. The undisputed  
3 evidence establishes that GoDaddy was, at least, “willfully blind” to the registrant’s  
4 cybersquatting. And GoDaddy is factually incorrect in arguing that there is no evidence of  
5 “direct control and monitoring” because its conduct here is not “virtually identical”—or even  
6 materially similar—to that of the defendant in *Lockheed Martin Corp. v. Network Solutions, Inc.*,  
7 194 F.3d 980, 984 (9th Cir. 1999).

8 GoDaddy’s motion also should be denied as to direct cybersquatting because the  
9 undisputed terms of GoDaddy’s agreements with the registrant establish that it was the  
10 registrant’s “authorized licensee.” In addition, GoDaddy had a “bad faith intent to profit” from  
11 using Petronas’s trademarks to meet customer demand for its domain name forwarding service  
12 and to set a “precedent” establishing its immunity from liability for providing that service to  
13 customers despite its knowledge of their cybersquatting.

14 In addition, GoDaddy is not immune from cybersquatting liability because its conduct  
15 was not that of a registrar performing “the act of registration of a domain name.” The “safe  
16 harbor” for registrars is strictly limited to the “registration and maintenance of a domain name”  
17 and the undisputed facts establish that GoDaddy’s domain name forwarding service does not  
18 constitute “registration” or “maintenance” of a domain name.

19 GoDaddy’s request that the Court cancel Petronas’s trademark registration should be  
20 denied because GoDaddy offers no evidence (1) of its standing, (2) of Petronas’s abandonment  
21 of its trademarks, or (3) that the trademark examiner incorrectly approved of the identification of  
22 the goods in the registration. And, in any event, cancellation of the registration would not  
23 warrant judgment in GoDaddy’s favor on any of Petronas’s claims because Petronas owns valid  
24 trademark rights that were infringed regardless of the registration.

25 GoDaddy’s motion also should be denied to the extent it is based on the absence of facts  
26 that are unavailable pursuant to Fed. R. Civ. P. 56(d) due to GoDaddy’s improper refusal to  
27 provide discovery.

1 **I. GODADDY COMMITTED CONTRIBUTORY CYBERSQUATTING**

2 In enacting the ACPA, Congress recognized the existence of a cause of action for  
3 “secondary liability” for cybersquatting. The legislative history of the ACPA cited by  
4 GoDaddy’s expert, Mr. Palage, states “[t]he bill, as amended, also promotes the continued ease  
5 and efficiency users of the current registration system enjoy by codifying current case law  
6 limiting secondary liability of domain name registrars and registries for the act of registration of  
7 a domain name.” Palage Decl. at 3:26-27; OPPAPP000093 at 8 (Senate Report). The legislative  
8 history also cites to the Ninth Circuit’s decision in *Panavision Int’l. v. Toeppen*, 141 F.3d 1316,  
9 1319 (9th Cir 1998) recognizing the existence of contributory liability (although it found the  
10 particular defendant not liable) in the context of cybersquatting as well as two similar decisions  
11 by district courts: *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949 (C.D. Cal.  
12 1997) and *Academy of Motion Picture Arts and Science v. Network Solutions*, 989 F. Supp. 1276  
13 (C.D. Cal. 1997). *Id.* at 14-15 n 11. Thus, in enacting the ACPA, Congress recognized the  
14 existence of a cause of action for contributory cybersquatting and, rather than abolishing it  
15 altogether, sought only to limit it by inserting a narrow limitation on liability “for the act of  
16 registration of a domain name” by a registrar or registry. As discussed below, this limitation on  
17 liability does not apply in this case because GoDaddy’s conduct here had nothing to do with “the  
18 act of registration of a domain name.”

19 Courts apply the same analysis to contributory cybersquatting claims as they apply to  
20 contributory trademark claims. *Solid Host, NL v. Namecheap, Inc.*, 652 F. Supp.2d 1092, 112  
21 (C.D. Cal.2009) *citing Ford Motor Co. v. Greatdomains.Com, Inc.*, 177 F. Supp.2d 635, 646  
22 (E.D. Mich. 2001). To prevail on a claim of contributory trademark infringement, a plaintiff  
23 must establish that the defendant “continued to supply its services to one who it knew or had  
24 reason to know was engaging in trademark infringement.” *Louis Vuitton*, 2011 WL 4014320, \*3.  
25 Where, as here, a defendant provides a service, the plaintiff also needs to establish that the  
26 defendant had “direct control and monitoring of the instrumentality used by a third party” to  
27  
28

1 commit cybersquatting. *Id. citing Lockheed Martin Corp. v. Network Solutions, Inc.*, 194 F.3d  
2 980, 984 (9th Cir. 1999).

3 **A. The Evidence Of The Registrant’s Cybersquatting Is Overwhelming And**  
4 **Was Well Known To GoDaddy**

5 Petronas’s motion for partial summary judgment on GoDaddy’s liability for contributory  
6 cybersquatting as to the domain name petronastowers.net (Doc. No. 120 and incorporated herein)  
7 sets forth the undisputed facts establishing both the registrant’s direct liability for cybersquatting  
8 and GoDaddy’s knowledge of those facts. Among other things, the undisputed facts in  
9 Petronas’s motion establish that six of the nine “bad faith” factors in the ACPA strongly support  
10 the conclusion that the registrant acted with a bad faith intent and that GoDaddy was aware of  
11 those facts.

12 In its motion, GoDaddy alleges only that there is “insufficient evidence of the registrant’s  
13 intent.” Motion at 17:26. Thus, GoDaddy does not contend that there is insufficient evidence  
14 supporting the other elements establishing direct cybersquatting by the registrant (*i.e.* registrant’s  
15 “use,” that the Disputed Domains were “identical or confusingly similar to” Petronas’s mark,  
16 that Petronas’s mark was “distinctive at the time of registration” of the Disputed Domains, etc.).

17 GoDaddy’s contention regarding evidence of the registrant’s bad faith is, in fact, even  
18 more narrow than the typical “no evidence” summary judgment argument: GoDaddy argues that  
19 “[d]iscovery has closed, yet Petronas had not obtained, nor even sought, any discovery from the  
20 party that allegedly engaged in cybersquatting.” Motion at 17:19-20. According to GoDaddy,  
21 “[w]ithout such discovery, it is impossible to determine the registrant’s motives in registering the  
22 Disputed Domains, and thus whether he acted with bad faith intent to profit from the Petronas’s  
23 trademarks.” Motion at 17:21-22.

24 This contention suffers from myriad defects of reasoning, fact, and law. First, the notion  
25 that discovery is needed from the registrant to prove the registrant’s bad faith intent is based on  
26 an extremely naïve assumption, namely, that the registrant would admit his bad faith intent. It is  
27 axiomatic that bad faith can almost never be proven with the testimony of the person accused. In  
28

1 any event, Petronas repeatedly sent the registrant notice of its allegations of cybersquatting as  
2 well as the pleadings from this action and the two *in rem* actions and the registrant never  
3 responded, much less disputed the allegations of his bad faith intent (or any other allegations).  
4 OPPAPP000108, 123, 141. And GoDaddy’s Fed. R. Civ. P. 30(b)(6) witness, Ms. Anderson,  
5 was unaware of any “any complaint or any communication from the registrant of [the disputed]  
6 domain names when Go Daddy stopped providing its domain name forwarding service.”  
7 OPPAPP000014-15 (Anderson Depo. at 65:23-66:2).

8         Second, GoDaddy’s argument that Pertronas should have “sought” discovery from the  
9 registrant ignores this Court’s finding, in two separate cases, that the registrant “could not be  
10 located” despite Petronas’s best efforts. OPPAPP000108, 123, 141 (Pleadings and Orders from  
11 *In Rem* Actions). It is unclear how GoDaddy expects that Petronas would have “sought  
12 discovery” from a third party that could not be located and whose only known addresses were  
13 outside the United States.

14         Third, if this Court agrees with GoDaddy that evidence from the registrant is essential to  
15 proving Petronas’s case of contributory cybersquatting, then the Court should deny (or at least  
16 defer) GoDaddy’s motion under Fed. R. Civ. P. 56(d) in light of Petronas’s motion to compel  
17 GoDaddy to provide discovery regarding information in its possession concerning the registrant,  
18 including its communications with him. As set forth in the Fed. R. Civ. 56(d) declaration of  
19 counsel filed herewith, GoDaddy has refused to produce documents regarding the registrant and  
20 failed to produce a Fed. R. Civ. P. 30(b)(6) with knowledge of GoDaddy’s communications with  
21 the registrant. Clark Decl. Indeed, GoDaddy produced no information regarding any  
22 communication between it and the registrant concerning any Petronas’s trademark claims or this  
23 litigation—other than Fed. R. Civ. P. 30(b)(6) witnesses who testified they were unaware of any  
24 such information. *Id.*

25         Fourth, in light of this Court’s two judgments finding that the Disputed Domains are  
26 “confusingly similar” to Petronas’s trademark and the failure of the registrant or GoDaddy to  
27 point to any valid reason for the registrant’s use of the Disputed Domains to direct Internet traffic  
28



1 to a pornographic website located at a domain also owned by the registrant, it is more than  
2 reasonable to infer that the registrant acted with a bad faith intent to profit.

3 Fifth, GoDaddy's assertion that Petronas is "not aware of any complaints from customers  
4 regarding the Disputed Domains" is irrelevant. Motion at 17:24-25. The ACPA imposes  
5 liability for use of a domain name that is "identical or confusingly similar to [a] mark" and does  
6 so "without regard to the goods or service of the parties." 15 U.S.C. § 1125(d)(1)(A).

7 **B. GoDaddy Exercised Direct Control And Monitoring Over Its Domain Name**  
8 **Forwarding Service For The Disputed Domains**

9 As with the evidence establishing the registrant's liability for cybersquatting, Petronas's  
10 motion for partial summary judgment sets forth the undisputed facts establishing GoDaddy's  
11 "direct control and monitoring" over the instrumentality used by the registrant to commit  
12 cybersquatting, i.e. GoDaddy's domain name forwarding service. (Doc. No. 120 and  
13 incorporated as if set forth fully herein).

14 In the present motion, GoDaddy does not point to any evidence describing what exactly it  
15 did with respect to the Disputed Domains. Motion at 18:3-23. Instead, GoDaddy argues that  
16 "[t]he facts here are virtually identical and mandate the same result" as those in the *Lockheed*  
17 case. Motion at 18:15. GoDaddy states (with no citation to the record or any facts) that  
18 "GoDaddy provided registration services to the registrant of the Disputed Domains, but it  
19 exercised no control over the alpha-numeric string selected by the registrant – the act that  
20 allegedly amounted to cybersquatting." Motion at 18:15-17. This allegation, however, is both  
21 factually false and directly contrary to Ninth Circuit case law.

22 As an initial matter, it is not true that "the act that allegedly amounted to cybersquatting"  
23 was the selection of "the alpha-numeric sting" by the registrant. The registrant's cybersquatting  
24 here resulted from the registrant's use of GoDaddy's domain name forwarding service on  
25 GoDaddy's servers to divert Internet traffic to a pornographic website from domain names that  
26 were "identical or confusingly similar" to Petronas's trademarks. (Doc. No. 69 ¶ 77-101  
27 (Amended Complaint)). The Ninth Circuit has specifically rejected the argument GoDaddy  
28

1 makes here that it did not have “direct control and monitoring” over the cybersquatting because  
2 it was the registrant who chose to connect the Disputed Domains to the pornographic website.  
3 *Louis Vuitton*, 2011 WL 4014320, \*3 (rejecting argument that appellants’ customer’s “websites  
4 selling infringing goods” and not appellants’ “servers and internet services they provided” “were  
5 the sole means of infringement.”). As the Ninth Circuit explained, “[w]ebsites are not ethereal;  
6 while they exist virtually, in cyberspace, they would not exist at all with physical roots in servers  
7 and internet services.” *Id.* GoDaddy’s domain name forwarding service is no different: without  
8 GoDaddy’s forwarding servers and domain name forwarding service, no connection would have  
9 existed between the Disputed Domains and the pornographic website. And as a result, GoDaddy  
10 exercised “direct control and monitoring” over the registrant’s means of cybersquatting.

11 **C. GoDaddy Was, At Least, Willfully Blind To The Registrant’s**  
12 **Cybersquatting.**

13 Assuming for the sake of argument that GoDaddy “did not have knowledge that the  
14 registrant was cybersquatting” (Motion at 18:24-25), this would still not be grounds for granting  
15 GoDaddy’s motion. It is well settled that “willful blindness is equivalent to actual knowledge for  
16 purposes of the Lanham Act.” *Tiffany (NJ), Inc. v. eBay, Inc.*, 600 F.3d 93, 109-110 (2nd 2010)  
17 (“A service provider is not, we think, permitted willful blindness. When it has reason to suspect  
18 that users of its services are infringing a protected mark, it may not shield itself by looking the  
19 other way.”) *citing Finovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 265 (9th Cir. 1996) (“a  
20 swap meet cannot disregard its vendors’ blatant trademark infringement with impunity.”).

21 Here, GoDaddy does not contend that it had no reason *to suspect* that the registrant was  
22 engaged in cybersquatting. Instead, GoDaddy states only that Petronas “provided insufficient  
23 information from which GoDaddy could determine the registrant was engaged in  
24 cybersquatting.” Motion at 19:7-8. But whether “GoDaddy could determine the registrant was  
25 engaged in cybersquatting” based on the information GoDaddy possessed *before* it conducted  
26 any investigation is irrelevant to the issue of willful blindness—the question is whether  
27 GoDaddy suspected the registrant was engaged in cybersquatting: “[t]o be willfully blind, a  
28

1 person must suspect wrongdoing and deliberately fail to investigate.” *Tiffany*, 600 F.3d 93, 109-  
2 110 citing *Hard Rock Café Licensing, Inc. v. Concession Services, Inc.*, 955 F.2d 1143, 1149  
3 (7th Cir. 1992). And because it is undisputed that “GoDaddy took no action on Petronas’s  
4 trademark claims other than (i) providing Petronas with information to assist it in seeking a  
5 transfer order, and (ii) locking each domain upon notice of commencement of a legal  
6 proceeding,” GoDaddy’s failure to address whether it had reason to *suspect* that the registrant  
7 was engaged in cybersquatting fatally undermines its motion for summary judgment.

## 8 **II. GODADDY IS LIABLE FOR DIRECT CYBERSQUATTING**

9 GoDaddy has never disputed—and does not in its motion—that “the Disputed Domains  
10 are identical or confusingly similar to Petronas’s distinctive or famous trademark.” Motion at  
11 11:20-21. The only issues GoDaddy raises in its motion regarding direct cybersquatting are (1)  
12 whether it “used” the Disputed Domains and (2) whether it did so with a “bad faith intent to  
13 profit from Petronas’s mark”—neither of which support the grant of its motion.

### 14 **A. GoDaddy Was The Registrant’s Authorized Licensee When It “Used” The 15 Disputed Domains**

16 GoDaddy is liable under the ACPA for “using” the Disputed Domains as the “registrant’s  
17 authorized licensee.” 15 U.S.C. §1125(d)(1)(D).

18 According to GoDaddy’s agreements with the registrant—the terms of which are  
19 undisputed—the registrant granted GoDaddy “the right to terminate Your [the registrant’s]  
20 access to the Services at any time, without notice, for any reason whatsoever.” Jett Decl. Ex. 1 at  
21 3 (GoDaddy Universal Terms of Service for GoDaddy Software and Services). Under the  
22 agreement, “Services” specifically include “using our systems to forward a domain, URL, or  
23 otherwise to a system or site hosted elsewhere.” *Id.* at 10 (Section B incorporating “Domain  
24 Name Registration Agreement”); Jett Ex. 3 at 5 (“Domain Name Registration Agreement”).  
25 Moreover, Laurie Anderson, GoDaddy’s Fed. R. Civ. P. 30(b)(6) deponent on the topic of  
26 “agreements covering the services GoDaddy provided with respect to the disputed domain  
27  
28

1 names,” testified that she was unaware of “anything in any of the agreements between Go Daddy  
2 and the registrant of the domain names petronastower.net and petronastowers.net that would  
3 have prevented it [GoDaddy] from stopping its domain name forwarding service for those  
4 domain names.” OPPAPP000007-8 (Anderson 59:24-60:9; 65:15-21). As such, GoDaddy’s  
5 agreements with the registrant granted it a license to freely use the Disputed Domains in  
6 connection with its domain name forwarding service and to continue or discontinue the service  
7 based on GoDaddy’s own independent decision.

8 GoDaddy argues that “[t]here is also no evidence of communication between GoDaddy  
9 and the registrant in which the registrant might have granted GoDaddy a license to use the  
10 Disputed Domains.” Motion at 12:11-13. Putting aside that this statement fails to account for  
11 the agreements between the registrant and GoDaddy referenced above, to the extent facts  
12 regarding such communications are “essential to justify [Petronas’s] opposition” to GoDaddy’s  
13 motion, the Court should deny the motion or take some other action identified in Fed. R. Civ. P.  
14 56(d). As set forth in the accompanying declaration, Petronas has sought, and GoDaddy has  
15 refused to provide, discovery regarding GoDaddy’s communications with the registrant and this  
16 dispute is the subject of a pending motion to compel. Clark Decl.

17 **B. The Undisputed Facts Establish That GoDaddy Had A Bad Faith Intent To**  
18 **Profit From The Petronas Marks**

19 GoDaddy makes four arguments regarding “bad faith intent,” none of which are availing.

20 **1. GoDaddy’s Argument Regarding “Volitional Conduct” Is Irrelevant**  
21 **To Petronas’s Cybersquatting Claim**

22 GoDaddy contends that it did not engage any “volitional conduct” with respect to its  
23 “initial conduct in forwarding the Disputed Domains to a third party website” and thus did not  
24 have a “bad faith intent.” Motion at 13:11-14. The conduct for which GoDaddy is liable for  
25 cybersquatting, however, is not its “initial conduct in forwarding the Disputed Domains” but its  
26 undisputed and repeated refusal to stop forwarding the Disputed Domains after being put on  
27 notice of the infringement of Petronas’s trademarks. It is this conduct that “compel[s] the  
28

1 inference that [GoDaddy] knew or recklessly disregarded the fact that the registrant was  
2 misusing domains names” and is sufficient to “satisfy the bad faith prong by creating an  
3 inference that [GoDaddy] intended to profit from [Petronas’s] marks.” *Transamerica Corp. v.*  
4 *Moniker Online Services, LLC*, 672 F. Supp.2d 1353, 1367 (S.D. Fla. 2009) (defendants’  
5 repeated refusal to stop infringing behavior was “part of a scheme by which they profit from the  
6 misuse of others’ trade and service marks.”).

7 Even if the conduct on which GoDaddy’s liability is based in this case were limited to its  
8 “initial conduct”—which it is not—GoDaddy cites to no authority that “volitional conduct” is  
9 required to establish cybersquatting. Instead, GoDaddy cites to several irrelevant cases applying  
10 *copyright* law. Motion at 13:20-26. The Ninth Circuit, however, has expressly rejected the  
11 argument that a defendant’s “contribution to infringement must be intentional for liability to  
12 arise” for trademark infringement. *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, —  
13 F.3d—(9th Cir. 2011), 2011 WL 4014320, \*3 (“An express finding of intent is not required.”).

14 **2. GoDaddy Did Not Have “Reasonable Grounds To Believe” Its Use Of**  
15 **The Disputed Domains Was A “Fair Use Or Otherwise Lawful”**

16 GoDaddy also argues that there is “no evidence of bad faith intent” in light of a “catch-all  
17 provision [in the ACPA] that is directly on point: ‘Bad faith intent described under subparagraph  
18 (A) shall not be found in any case in which the court determines that the person believed and had  
19 reasonable grounds to believe that the use of the domain name was a fair use or otherwise  
20 lawful.’” Motion at 14:9-12. According to GoDaddy, “the undisputed evidence establishes that  
21 GoDaddy’s intent . . . was to comply with GoDaddy’s standard operating procedures and to  
22 implement the UDRP.” Motion at 14:13-16.

23 The evidence, however, is far from “undisputed” that GoDaddy’s intent was to follow its  
24 policy or the UDRP with respect to the Disputed Domains. In response to an interrogatory,  
25 GoDaddy stated that its “intent has been to provide registrar services concerning the domain  
26 names ‘petronastower.net’ and ‘petronastowers.net.’” OPPAPP000021 at 6:25-26. As for  
27  
28

1 following its policy or standard procedure, Matthew Bilunes, GoDaddy’s Fed. R. Civ. P.  
2 30(b)(6) witness on the topic of GoDaddy’s “trademark policy and how/whether the domain  
3 names were treated within it” and GoDaddy’s “general policies and procedures . . . as well as the  
4 specific handling of the two disputed domain names,” testified that he did not know “what policy  
5 was applied to the trademark claim submitted by Petronas” regarding either Disputed Domain.  
6 OPPAPP000043-44, 40 (Bilunes Depo. at 9:20-10:4; 7:1-5); OPPAPP000051 at 7:13-18 (Fed. R.  
7 Civ. P. 30(b)(6) Notice). And Laurie Anderson, GoDaddy’s Fed. R. Civ. P. 30(b)(6) witness on  
8 the topic of the domain forwarding service GoDaddy provided for the Disputed Domains,  
9 testified that she was not even aware if “the Uniform Domain Name Dispute Resolution policy  
10 [UDRP] governs Go Daddy’s conduct with respect to its domain name forwarding service.”  
11 OPPAPP000014, 6 (Anderson at 73:20-23; 21:14-22).

12           Regardless, however, of what GoDaddy claims its intent was, the undisputed fact is that  
13 “GoDaddy took no action on Petronas’s trademark claims other than (i) providing Petronas with  
14 information to assist it in seeking a transfer order and (ii) locking each domain.” Motion at  
15 14:18-22. And rather than establishing that GoDaddy “believed and had reasonable grounds to  
16 believe that the use of the domain name was a fair use or otherwise lawful,” the undisputed facts  
17 establish that the opposite was true. Jessica Hanyen, GoDaddy’s Fed. R. Civ. P. 30(b)(6) witness  
18 on “GoDaddy’s trademark dispute practices,” testified that, even though GoDaddy’s policy may  
19 call for it to ignore a claim like Petronas’s, “there could be something that would be identified by  
20 the hosting company as trademark infringement.” OPPAPP000070 (Hanyen 10/12/2011 Depo.  
21 at 19:10-19).

22           And rather than “having reasonable grounds to believe” that the use of the Disputed  
23 Domains was “fair use or otherwise lawful,” Ms. Hanyen testified that GoDaddy’s standard  
24 operating procedure and policy would have been to ignore evidence showing that the use was  
25 unlawful:  
26  
27  
28

1 Q. In evaluating the complaint for petronastowers.net, GoDaddy wouldn't have  
2 considered that the domain name petronastower.net had been ordered transferred  
by a court?

3 A. No, because it would have been the same thing where we would have  
4 followed our standard operating procedure.

5 Q. And it wouldn't have mattered that the domain name petronastower.net was  
transferred by a court because the court found trademark infringement?

6 A. No.

7 MR. LANSKY: Object to the form.

8 BY MR. CLARK:

9 Q. And it wouldn't matter that the petronastower.net domain name listed the  
same registrant?

10 MR. LANSKY: Object to the form.

11 THE WITNESS: No.

12 BY MR. CLARK:

13 Q. And that it was forwarding to the same website?

14 MR. LANSKY: Object to the form.

15 THE WITNESS: No.

16 OPPAPP000073 (Hanyen 10/12/2011 Depo. at 28:2-25).

17 According to Ms. Hanyen, despite the foregoing, GoDaddy did not do anything to  
18 determine whether the website to which the Disputed Domains were being forwarded was  
19 committing trademark infringement—even after the first Disputed Domain had been transferred  
20 to Petronas by this Court. OPPAPP000074 -75(Hanyen 10/12/2011 Depo. at 30:9-31:7). As  
21 such, the “catch-all” factor in the ACPA supports, rather than negates, a finding that GoDaddy  
22 acted with a “bad faith intent to profit” because it shows that GoDaddy did not have “reasonable  
23 grounds to believe” that its use of the Disputed Domains was “fair use or otherwise lawful.”

24 **3. GoDaddy Continued To Provide Its Domain Name Forwarding  
Service Because Of Customer Demand**

25 The weakness of GoDaddy's motion with respect to “bad faith intent” is well illustrated  
26 by its failure address any of the other nine “bad faith” factors in the ACPA except to state that  
27 they are “generally inapplicable to registrars.” 15 U.S.C. § 1125(d)(1)(B)(i); Motion at 14:7  
28

1 (emphasis added). Factor “(V),” however, is particularly probative because the undisputed facts  
2 establish GoDaddy’s “intent to divert customers from the mark owner’s online location to a site  
3 accessible under the domain name that could harm the goodwill represented by the mark, either  
4 for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood  
5 of confusion as to the source, sponsorship, affiliation, or endorsement of the site.” 15 U.S.C. §  
6 1125(d)(1)(B)(i)(V).

7 Here, it is undisputed that GoDaddy’s domain name registration and hosting customers  
8 specifically requested the type of domain name forwarding service that GoDaddy provided for  
9 the Disputed Domains and was the reason GoDaddy provided it. According to GoDaddy’s  
10 Development Manager, Jeff Munson, who wrote the code for GoDaddy’s domain name  
11 forwarding service, GoDaddy started providing the specific type of domain name forwarding that  
12 it provided for the Disputed Domains—called a “301 redirect”—in response customer requests  
13 “sometime in 2007, 2008.” OPPAPP000082 (Munson Depo. at 15: 2-18.).

14 GoDaddy understood its customers wanted the 301 redirect forwarding because it not  
15 only diverts Internet traffic from one domain name to a website at another domain name but also  
16 because it increases, or “optimizes,” the search engine “rank” of the destination website based on  
17 the volume of Internet traffic diverted from the original domain name. According to Mr.  
18 Munson, “the main reason why customers were requesting it [the 301 redirect function for  
19 GoDaddy’s domain name forwarding service] is because it also tells search engines to, you  
20 know, your Google spider and your, whatever, Yahoo spider, to go into that new location and to  
21 update the links . . . A 301 is better for search engine optimization.” OPPAPP000082 (Munson  
22 Depo. at 15: 4-16.). As John Roling, GoDaddy’s Software Development Manager responsible  
23 for its domain name forwarding system, explains in his declaration, the use of the 301 redirect  
24 positively “affect[s] the rank of the website [to which a domain name is forwarded] in search  
25 engines like Google or Yahoo because Internet traffic routed to each individual website would . .  
26 . be recognized as flowing to the same website.” Roling Decl. ¶ 14. Put another way,  
27 GoDaddy’s 301 redirect forwarding service provides “search engine optimization” by allowing  
28



1 its customers to increase the “rank” of a website by registering domain names with large  
2 amounts of Internet traffic and using GoDaddy’s 301 redirect forwarding service to direct that  
3 Internet traffic to the website. As Mr. Munson testified, “a 301 is better for search engine  
4 optimization. So we had customers asking if we could implement 301 redirects for us. So we  
5 responded to that request and added that functionality.” OPPAPP000082 (Munson Depo. at 15:  
6 4-16.).

7 Had GoDaddy stopped providing domain name forwarding for the Disputed Domains  
8 because of Petronas’s complaints of cybersquatting, GoDaddy would have had to stop applying  
9 its “standard policy and procedure” of ignoring trademark complaints directed to its domain  
10 name forwarding service. As a result, GoDaddy would have been unable to provide the 301  
11 redirect forwarding service whenever that feature was the basis of a trademark complaint. And  
12 because domain names incorporating well known trademarks—like “petronastower.net” and  
13 “petronastowers.net”—logically generate larger amounts of Internet traffic, GoDaddy would  
14 have risked losing a substantial number of customers using its 301 redirect forwarding service.

15 **4. GoDaddy Intended To Profit From Petronas’s Marks By Establishing**  
16 **Its Immunity From Liability For Its Conduct Concerning The**  
17 **Disputed Domains**

18 In its motion, GoDaddy reveals for the first time that it “provides forwarding services for  
19 8.2 million domain names under its management” and has done so “since 2002 or before.”  
20 Motion at 7:3-4. GoDaddy also admits that “[i]t currently receives notice of more than a  
21 thousand trademark claims every year . . . and that number is steadily increasing.” Motion at  
22 19:18-20. And GoDaddy admits that, in refusing to stop providing its domain name forwarding  
23 service for the Disputed Domains, “GoDaddy followed its standard policies and procedures and  
24 treated Petronas’s claim the same as it would treat any other such claim.” Motion at 15:23-25. It  
25 is thus reasonable to infer that GoDaddy’s conduct which forms the basis for Petronas’s claims  
26 in this case is the same as GoDaddy’s conduct with respect to as many as 9,000 other domain  
27 names over the past nine years. And because 15 U.S.C. § 1117(d) provides statutory damages  
28

1 for cybersquatting of “not less than \$1,000 and not more than \$100,000 per domain name,”  
2 GoDaddy’s exposure to statutory damages alone should it concede or be found liable for  
3 cybersquatting based on its conduct with respect to the Disputed Domains would potentially be  
4 between \$9,000,000 and \$900,000,000.

5 Even if one rejects the reasonable inference of 9,000 domains, GoDaddy’s own expert,  
6 Mr. Michael Palage, Esq., states in his declaration that unless GoDaddy is “shield[ed] . . . from  
7 liability in cybersquatting disputes like this one [brought by Petronas],” “GoDaddy could be  
8 expected to be challenged in excess of 1,100 lawsuits.” Palage Decl. ¶ 84 at 21:2-6. Thus, under  
9 Mr. Palage’s analysis, GoDaddy’s exposure for cybersquatting would be at least between  
10 \$1,100,000 and \$110,000,000 for statutory damages alone. As Mr. Palage explains, “granting  
11 the relief requested by Petronas—actual, treble or statutory damages, plus an attorney fee award,  
12 based on the conduct exhibited by GoDaddy in this dispute” would have “a direct and  
13 detrimental impact on a multi-billion dollar domain name industry [including GoDaddy]” that  
14 would be “unscalable and unduly burdensome.” Palage Decl. ¶ 17.

15 Of course, Mr. Palage’s opinion assumes that there is a basis for “actual, treble or  
16 statutory damages”—in other words, that GoDaddy has been providing (and will continue to  
17 provide) its domain name forwarding service to customers who use it to commit trademark  
18 infringement. Significantly, the undisputed evidence establishes a sound basis for this  
19 assumption—and GoDaddy’s awareness of it. Jessica Hanyen, GoDaddy’s Domain Services  
20 Supervisor responsible for handling trademark claims, testified in her deposition that for the  
21 trademark claims that GoDaddy actually has investigated (what it calls “actionable claims”),  
22 GoDaddy cancelled or suspended “a majority, vast majority” of the customer accounts that were  
23 the subject of such claims. OPPAPP000076 (Hanyen 10/12/2011 at 51: 2-18).

24 In addition, for the accounts that GoDaddy actually cancelled or suspended for trademark  
25 infringement, it provided a “counter-notification” policy that allowed a GoDaddy customer  
26 whose account has been cancelled or suspended to provide information demonstrating that it was  
27 not committing trademark infringement. *Id.* at 51:19-52:7. Yet despite offering this “counter-  
28

1 notification” policy, the number of GoDaddy customers that actually dispute the claims of  
2 trademark infringement against them is “extremely low.” *Id.* 52:8-11. As such, not only does  
3 the undisputed evidence point to GoDaddy’s substantial monetary exposure, it also establishes  
4 GoDaddy’s knowledge that the “vast majority” of the complaints of trademark infringement like  
5 the ones it received from Petronas are valid.

6 **III. GODADDY WAS NOT ACTING AS A REGISTRAR PERFORMING THE**  
7 **REGISTRATION OR MAINTENCE OF THE DISPUTED DOMAIN NAMES**

8 GoDaddy is not shielded from liability for direct or contributory cybersquatting in this  
9 case under either the ACPA or case law.

10 The ACPA states that “[a] domain name registrar, a domain name registry, or other  
11 domain name registration authority shall not be liable for damages under this section for the  
12 registration or maintenance of a domain name for another absent a showing of bad faith intent to  
13 profit from such registration or maintenance.” 15 U.S.C. § 1114(2)(D)(iii). As an initial matter,  
14 GoDaddy does not allege that there is insufficient evidence to find that it acted with a “bad faith  
15 intent to profit from [the] registration or maintenance” of the Disputed Domains. Nor could it in  
16 light of the evidence set forth above regarding its bad faith intent to profit from Petronas’s mark  
17 and the undisputed fact that it actually collected fees from the registrant in connection with the  
18 Disputed Domains.

19 Moreover, in the legislative history of the ACPA, Congress made clear that this section  
20 was intended to “limit[] the secondary liability of domain name registrars and registries for the  
21 *act of registration of a domain name.*” OPPAPP000093 (Senate Report) (emphasis added).  
22 Courts applying this “safe harbor” provision have unanimously held that it is limited to its plain  
23 language and, as such, domain name registrars are only “granted immunity for registering or  
24 maintaining a domain name.” *Baidu, Inc. v. Registration.com, Inc.*, 760 F. Supp.2d 312, 320  
25 (S.D.N.Y. 2010) (defendant registrar “was not registering or maintaining a domain name . . .  
26 [i]t’s purportedly wrongful actions occurred long after the registration of Baidu’s domain  
27 name.”); *Solid Host*, 652 F. Supp.2d at 1105 (the “ACPA provides safe a harbors for a registrar  
28

1 in limited circumstances,” namely, “*when it acts as a registrar*, i.e., when it accepts registrations  
2 for domain names from customers.”); *Transamerica*, 672 F. Supp.2d at 1365 (ACPA “immunity  
3 applied only when the registrar is acting as a registrar.”) citing *Dell Inc. v. BelgiumDomainsLLC*,  
4 2007 WL 6862342 \*5 (S.D. Fla. 2007) and *Lockheed II*, 141 F. Supp.2d at 654-55; *Verizon*  
5 *California, Inc. v. OnlineNIC, Inc.*, 647 F. Supp.2d 1110, 1126 (N.D. Cal. 2009) (“[Defendant]  
6 OnlineNIC was both the registrant and the registrar of the 663 domain names that are identical or  
7 confusingly similar to Verizon's marks. As such, OnlineNIC does not qualify for protection  
8 under the Anticybersquatting Consumer Protection Act's (“ACPA”) safe harbor provision, which  
9 exempts a domain name registrar from liability resulting from its registration of domain names  
10 for others where the registrar is acting in a purely passive capacity. 15 U.S.C. § 1114(2)(D)(iii).”

11 Here, GoDaddy does not contend that it performed the “registration” of the disputed  
12 domain names. Instead, GoDaddy contends that it acted “as a registrar” by “providing  
13 forwarding services and maintaining the disputed domain names.” Motion at 21:5-6. Tellingly,  
14 GoDaddy cites to no facts in support of this contention. And the undisputed facts in the record  
15 show that the opposite is true. As an initial matter, however, GoDaddy’s reference to  
16 “maintaining the disputed domain names” is curious—and irrelevant—because nowhere does  
17 Petronas base its claims against GoDaddy on activity that could be considered “maintenance.”  
18 Moreover, GoDaddy does not specify what relevant conduct it believes is maintenance and  
19 neither its expert nor any of its declarants point to anything they would characterize as  
20 “maintenance” of the domain names. In fact, the only information in the record regarding what  
21 actions of GoDaddy could be considered maintenance of the Disputed Domains is in the  
22 declarations of Petronas’s experts, and none of it forms the basis for GoDaddy’s liability in this  
23 case. OPPAPP000189 (Fitzsimmons Decl.); OPPAPP001603 (Dam Decl.).

24 As for GoDaddy’s contention that it acted “as a registrar” by providing “forwarding  
25 services,” the undisputed facts set forth in Petronas’s motion for partial summary judgment (Doc.  
26 No. 120 and incorporated herein) show overwhelmingly that this is not true. In addition, both of  
27 Petronas’s experts state in their declarations their unequivocal opinion that GoDaddy was not  
28

1 acting as a registrar by providing its domain name forwarding services for the Disputed  
2 Domains. As Mr. Kevin Fitzsimmons states, “[i]n my opinion, domain name forwarding and  
3 routing cannot be considered part of domain name registration services generally or the domain  
4 name services offered by GoDaddy.” OPPAPP000193-194. As he explains, “[t]he process of  
5 domain name registration, in all relevant respects, involves nothing more than the creation of a  
6 record linking a domain name to an Authoritative Name Server.” *Id.* Moreover, “[a] domain  
7 name registrar can perform all of the functions of domain name registration and maintenance  
8 without owning or operating an Authoritative Domain Name Server for the domain name for  
9 which it is the registrar.” *Id.*

10 Likewise, Petronas’s expert Tina Dam states

11 Godaddy offers their users free services under their domain management control  
12 panel, such as the forwarding or redirection mechanism. The registrant used that  
13 mechanism to forward or redirect specific domains to other domains that hosted  
14 pornographic content. The forwarding or redirection service is an added service  
typically provided by registrars to its customers. In my opinion, such service is  
separate to that of domain name registration.

15 OPPAPP001607-608 (Dam Decl.).

16 Unlike GoDaddy’s expert, Petronas’s experts base their opinions on numerous  
17 confidential technical documents produced by GoDaddy, GoDaddy’s public documents  
18 describing its domain name forwarding service, and non-confidential industry documents  
19 describing in detail the technical standards covering domain name forwarding, domain name  
20 resolution, and domain name registration, among other things. *See, for example,*  
21 OPPAPP000193 (Fitzsimmons Decl.); OPPAPP001607 (Dam Report). Mr. Palage, by contrast,  
22 admitted in his deposition that he did not review any GoDaddy technical documents, including  
23 any describing its domain name forwarding service in forming his opinion. OPPAPP003151-52  
24 (Palage Depo. 49:5-51:7). Similarly, in his declaration in support of GoDaddy’s motion. Mr.  
25 Palage does not identify any documents produced by GoDaddy in this case as forming the bases  
26 for his opinions, much less technical documents regarding the domain name forwarding service

1 at issue, and instead states only that “I familiarized myself with the issues in this case by  
2 reviewing . . . GoDaddy’s website.”<sup>1</sup> Palage Decl. at 3:10-28.

3 In addition to lacking any bases as to GoDaddy’s domain name forwarding service, Mr.  
4 Palage’s opinion also does not establish that GoDaddy was acting as a “registrar” providing  
5 domain name “registration” for the Disputed Domains. Instead, Mr. Palage’s opinion is simply  
6 that “the services provided GoDaddy in connection with the domain names petronastower.net  
7 and petronastowers.net are consistent with core registrar services routinely provided by all the  
8 leading registrars.” Palage Decl. at 4:10-12. This opinion does not establish, however, that  
9 GoDaddy’s conduct in this case falls within the ACPA safe harbor for registrars that perform  
10 “the registration and maintenance of a domain name.” Nowhere in the ACPA, its legislative  
11 history, or the cases applying it is there any authority for the proposition that “the registration  
12 and maintenance of a domain name” in the ACPA means “core registrar services routinely  
13 provided by all leading registrars.” To the contrary, as set forth in the cases and legislative  
14 history cited above, the ACPA safe harbor for registrars does not apply to any conduct of a  
15 registrar except for “the act of registration of a domain name.” OPPAPP000093. Although it is  
16 entirely possible that, as GoDaddy and Mr. Palage contend, “forwarding is a service almost  
17 universally offered by registrars to registrants as part of the registration service,” it is simply  
18 irrelevant to the scope of the ACPA safe harbor for registrars.

19 Besides the ACPA, GoDaddy claims that it is shielded from liability because its  
20 forwarding service “is simply a form of routing” that is “essentially the same function that the  
21 Court in *Lockheed II* concluded would not subject a registry to liability.” Motion at 21:26-25  
22 (emphasis added). Here, again, however, GoDaddy is wrong both factually and legally. First, as  
23  
24

---

25 <sup>1</sup> The weakness of the support for Mr. Palage’s opinions is aptly demonstrated by his review  
26 of GoDaddy’s Motion to Dismiss First Amended Complaint but not Petronas’s Opposition to  
27 that motion. Palage Decl. at 3:13-14.  
28

1 the underlining in the preceding citation to GoDaddy’s motion indicates, the *Lockheed II* case  
2 dealt with the conduct of defendant Network Solutions, Inc. (“NSI”) in 2000-2001 when it was  
3 “one of more than one hundred registrars of domain names [and] also perform[ed] the functions  
4 of a registry.” *Lockheed Martin Corp. v. Network Solutions, Inc.*, 141 F. Supp.2d 648, 650 (N.D.  
5 Tex. 2001) (emphasis added) (*Lockheed II*). The Court found that as a registry, NSI “maintains a  
6 directory linking domain names with IP numbers of domain name servers. Domain name servers  
7 connect domain names with other internet computers.” *Id.* Because NSI was both the registry  
8 and the registrar for purposes of the decision in *Lockheed II*, and because it performed any  
9 “routing” identified in the *Lockheed II* opinion by virtue of its function as a registry, the  
10 *Lockheed II* case is completely inapplicable to any “routing” performed by GoDaddy with its  
11 domain name forwarding service.

12 GoDaddy’s reliance on the Ninth Circuit’s opinion the *Lockheed I* case is no more  
13 availing for a number of reasons. *Lockheed*, 194 F.3d at 984 (*Lockheed I*). First, as made clear  
14 by the opinion of the district court in that case, the defendant in *Lockheed I*, again Networks  
15 Solutions, Inc. or “NSI,” served as both the registrar and registry at the times relevant to the  
16 opinion (1996-97): “NSI performs two functions in the domain name system. First, it screens  
17 domain name applications against its registry to prevent repeated registrations of the same name.  
18 Second, it maintains a directory linking domain names with the IP numbers of domain name  
19 servers.” *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 953 (C.D. Cal.  
20 1997).

21 Second, as also made clear by the district court, NSI did nothing more than register the  
22 domain names at issue: “After a domain name is registered, NSI’s involvement is over. NSI is  
23 not part of the process of linking domain names with potentially infringing resources such as  
24 Web sites.” *Id.* at 961-62. The undisputed fact that GoDaddy used its name servers to provide  
25 its domain name forwarding service linking the Disputed Domains with the infringing  
26 pornographic website makes the *Lockheed I* decision unmistakably distinct. *Id.* at 953 (“The  
27  
28

1 domain name servers, which are outside of NSI's control, connect domain names with Internet  
2 resources such as Web sites and e-mail systems.”).

3 Third, the following language in the Ninth Circuit’s *Lockheed I* opinion does not expand  
4 the definition of what constitutes “registration” by a registrar to include “routing.” Instead, the  
5 Ninth Circuit’s references to “routing” refer to the conduct of defendant NSI as the *registry* for  
6 the domains at issue:

7 The case at bench involves a fact pattern squarely on the “service” side of the  
8 product/service distinction suggested by *Inwood Lab* and its offspring. All  
9 evidence in the record indicates that NSI’s role differs little from that of the  
10 United States Postal Service: when an Internet user enters a domain-name  
11 combination, NSI translates the domain-name combination to the registrant’s IP  
12 Address and routes the information or command to the corresponding computer.  
Although NSI’s routing service is only available to a registrant who has paid  
NSI’s fee, NSI does not supply the domain-name combination any more than the  
Postal Service supplies a street address by performing the routine service of  
routing mail. As the district court correctly observed,

13 Where domain names are used to infringe, the infringement does  
14 not result from NSI’s publication of the domain name list, but from  
15 the registrant's use of the name on a web site or other Internet form  
16 of communication in connection with goods or services.... NSI’s  
involvement with the use of domain names does not extend beyond  
registration.

17 985 F. Supp. at 958.

18 Unlike a registry such as NSI, a domain name registrar like GoDaddy does not maintain a  
19 “registry” or “database” that it would use to translate a “domain name combination to the  
20 Registrant’s IP Address.” *Baidu*, 760 F. Supp.2d at 320 citing *Solid Host*, 652 F. Supp.2d 1105  
21 (“a registrar acts as a registrar when it accepts registrations for domain names from customers.”).  
22 As such, to the extent the Ninth Circuit’s opinion in *Lockheed I* establishes a safe harbor for  
23 “routing,” that safe is limited to the conduct of a registry and it does not apply to a registrar like  
24 GoDaddy.

#### 25 **IV. THE PETRONAS TRADEMARK REGISTRATION SHOULD NOT BE 26 CANCELLED**

##### 27 **A. GoDaddy Lacks Standing To Seek Cancellation Of The Petronas 28 Registration**



1           The trademark cancellation statute, 15 U.S.C. §1064, limits standing by stating that “a  
2 petition to cancel a registration of a mark . . . may . . . be filed by any person who believes that  
3 he is or will be damaged by the registration of a mark.” It is well settled that to establish  
4 standing under 15 U.S.C. § 1064, “a petitioner must show a real and rational basis for his belief  
5 that he would be damaged by the registration sought to be cancelled, stemming from an actual  
6 commercial or pecuniary interest in his own mark.” *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*,  
7 735 F.2d 346, 349 (9th Cir. 1984) (emphasis added) (noting that “[e]xamples of what courts have  
8 countenanced as reasonable bases are: an assertion of a likelihood of confusion between the  
9 petitioner’s mark and the registered mark at issue . . . or a rejection of an application during  
10 prosecution.” (citations omitted)). Thus, “[w]hen a petitioner has no right to use a name shown  
11 in a registered trademark of another party, that petitioner has no standing to seek cancellation of  
12 the trademark.” *General Healthcare Limited v. Qashat*, 254 F. Supp.2d 193, 204 (D. Mass.  
13 2003) (citing *In Re Houbigant, Inc.*, 914 F. Supp. 997, 1002 (S.D.N.Y. 1996)).

14           Here, GoDaddy admits that it does not have “any commercial interest in any Petronas  
15 trademark.” OPPAPP000067 (Hanyen Depo. (10/12/2011) at 8:11-23). GoDaddy also  
16 specifically pleads, in paragraph 93 of its amended answer, that “GoDaddy admits that it does  
17 not claim ownership in the Petronas trademark.” OPPAPP003016 (Amended Answer (Doc. No.  
18 106) ¶93). In addition, GoDaddy denies that it “used the ‘petronastower.net’ and  
19 ‘petronastowers.net’ domain names.” (Amended Complaint (Doc. No. 69) ¶¶63-65);  
20 OPPAPP003014 (Amended Answer (Doc. No. 106) ¶¶63-65).

21           By failing to offer any evidence of any use, right, or interest that has been or would be  
22 damaged by the continued registration of the Petronas trademark, GoDaddy has failed to  
23 establish the “real interest” required to establish standing to petition for cancellation. “The case  
24 law establishes ‘that when a plaintiff has no right to use a name shown in a registered trademark  
25 of a defendant, that plaintiff has no standing to seek cancellation of the trademark.’” *Houbigant*,  
26 914 F. Supp. at 1002. As such, avoiding litigation for infringement of a registered trademark has  
27 long been rejected as a “real interest” that would confer standing to petition for the cancellation  
28

1 of a trademark registration. “[I]t is well settled . . . that the mere threat of a suit for infringement  
2 and/or the filing and litigation of an opposition proceeding does not, *per se*, constitute damage  
3 within the meaning of Section 13 and 14 of the Statute.” *Yard-Man, Inc. v. Getz Exterminators,*  
4 *Inc.*, 157 U.S.P.Q. 100, 1968 WL 8094 (T.T.A.B. 1968); *see also McCarthy J., McCarthy on*  
5 *Trademarks and Unfair Competition*, §20:12 (2010) (“No ‘damage’ results from infringement  
6 suit against opposer.”). As the predecessor court to the Federal Circuit explained, “while a  
7 registration of the trademark at issue may give applicant some tactical advantages in other  
8 litigation between the parties, we do not agree that this constitutes ‘damage’ to appellant in the  
9 sense contemplated by Sec. 13 of the Lanham Act (15 U.S.C. § 1064).” *Morton Foods, Inc. v.*  
10 *Frito Co.*, 50 C.C.P.A. 1105 (Ct. of Customs and Pat. Appeals 1963) (holding, “in view of  
11 infringement action against opposer based in part on the unregistered mark,” no “damage” would  
12 arise out of the “registration of the mark by reason of the advantages that would accrue to  
13 applicant as plaintiff in the infringement suit.”).

14 **B. Even If GoDaddy Had Standing, There Is No Evidence Of Abandonment**

15 To show abandonment by nonuse, the party claiming abandonment must prove both the  
16 trademark owner’s (1) “discontinuance of trademark use” and (2) “intent not to resume such  
17 use.” *Electro Source, LLC v. Brandess-Kalt-Aetna Group, Inc.*, 458 F.3d 931, 935 (9th  
18 Cir.2006) (citing 15 U.S.C. § 1127). “Federal registration of a trademark ‘constitutes prima facie  
19 evidence of the validity of the registered mark and of [the registrant’s] exclusive right to use the  
20 mark’ in commerce.” *Quiksilver, Inc. v. Kymsta Corp.*, 466 F.3d 749, 755 (9th Cir.2006); *see*  
21 *also Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir.1982) (noting, “[f]ederal  
22 registration of a trademark endows it with a strong presumption of validity.”). A registered mark  
23 can only be abandoned under the Lanham Act when “its use in commerce is discontinued with  
24 intent not to resume use.” See 15 U.S.C. § 1127. “The presumption places a burden of  
25 production on the party contesting abandonment.” *Emergency One, Inc. v. Am. FireEagle Ltd.*,  
26 228 F.3d 531, 535–37 (4th Cir.2000). If the party alleging abandonment establishes a prima  
27  
28

1 facie case of abandonment by showing a three-year period of non-use, then “a rebuttable  
2 presumption of abandonment is created.” *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407, 411  
3 (9th Cir.1996); *Star-Kist Foods, Inc. v. P.J. Rhodes & Co.*, 769 F.2d 1393, 1396 (9th Cir.1985).

4 “Since abandonment results in a forfeiture of rights, [ ] courts are reluctant to find an  
5 abandonment.” 3 *J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition*, §  
6 17.12 at 17–20 (4th ed. 2008); see also *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*,  
7 304 F.3d 1167, 1175 (11th Cir. 2002) (“Because a finding of abandonment works an involuntary  
8 forfeiture of rights, federal courts uniformly agree that defendants asserting an abandonment  
9 defense face a ‘stringent,’ ‘heavy,’ or ‘strict burden of proof.’”). Thus, “the party asserting  
10 abandonment, is required to ‘strictly prove’ its claim.” *Electro Source*, 458 F.3d at 935 (“Even a  
11 single instance of use is sufficient against a claim of abandonment of a mark if such use is made  
12 in good faith.”). The Ninth Circuit has noted that this “strictly prove” language is akin to the  
13 “clear and convincing evidence” standard. *Id.*

14 Here, GoDaddy has failed to offer any evidence that would show either (1) the  
15 “discontinuance of trademark use” and (2) “intent not to resume such use” with respect to the  
16 Petronas trademark. As a result, GoDaddy cannot establish a prima facie case of abandonment  
17 and Petronas has “no obligation or burden to rebut [GoDaddy’s] naked unsupported assertion of  
18 abandonment.” *Bellagio Jewelry, Inc. v. Croton Watch Co., Inc.*, 2008 WL 3905895, \*5 (C.D.  
19 Cal. 2008) (although “it may be difficult to present evidence of nonuse, because this is analogous  
20 to producing negative evidence, [n]onetheless, Croton [defendant] must still provide at least  
21 some support for its assertion that Plaintiffs abandoned their mark.” (emphasis original)).

22 And even if GoDaddy had produced any evidence with which it could meet its burden of  
23 production, there can be no dispute that the Petronas trademark has not been abandoned. The  
24 declaration filed by Petronas in the U.S. Trademark Office in connection with Registration No.  
25 2,969,707 confirms that its trademark is in use in commerce in the United States.  
26 OPPAPP003025 (Khairuddin Decl. 11/03/2011). The documents filed with this declaration  
27 establish that the mark was used in commerce in the United States beginning within the first two  
28

1 years of registration and up to the present. *Id.* The U.S. Trademark office has accepted these  
2 documents as sufficient to support the use in commerce of the word-mark Petronas in  
3 Registration No. 2,932,662. OPPAPP003057 (U.S. Trademark Office Acceptance of Declaration  
4 Under Section 8).

5 In addition to the documents submitted to the U.S. Trademark Office, Petronas has  
6 produced numerous documents and provided deposition testimony in this case proving its use of  
7 its trademark in commerce in connection with goods in the registration. OPPAPP003126-40  
8 (Suat Depo. at 136:22-140:13); OPPAPP003364-3484 (Suat Depo. Exs. 31, 32, and 33). These  
9 include documents associated with the sale of goods such as liquid natural gas and crude oil  
10 shipped in bulk and thus satisfy the “affixation” requirement because other methods of  
11 placement in are “impracticable.” OPPAPP003122 (Suat Depo. 89:13-21); 15 U.S.C. § 1127  
12 (“affixation” requirement met by placement of mark, “[i]f nature of the goods makes any of the  
13 [other enumerated] methods of placement impracticable, on documents associated with the goods  
14 or their sale.”); *A&H Trans., Inc. v. Save Way Stations, Inc.*, 115 U.S.P.Q. 251,135 A.2d 289,  
15 335 (MD. 1957) (“Putting the name on the pumps from which gasoline is dispensed is regarded  
16 as equivalent to affixing the name to the goods.” citing *Restatement, Torts*, §719 Comment b.); 3  
17 *J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition*, § 17.12 at 17–20 (4th  
18 ed. 2008) (“The 1988 Trademark Law Revision Act amended §45 of the Lanham Act so that  
19 where the nature of the goods makes placement of the marks on labels ‘impracticable,’ the use of  
20 the mark on ‘documents associated with the goods or their sale’ will suffice. For example, the  
21 mark can now be deemed to be in ‘use’ on bulk goods such as grain or goods shipped in tank  
22 cars, such as petroleum and milk, if the mark appears on documents associated with the  
23 shipment.”).

24 **C. GoDaddy Points To No Evidence That Would Support Cancellation Under**  
25 **Section 44(e)**

26 GoDaddy offers no authority that would support its apparent request that the Court cancel  
27 the entire Petronas registration where, as GoDaddy acknowledges, the registration does not  
28

1 “exceed the scope” of the underlying registration for a large number of goods, including an entire  
2 class of goods (Class 11). *See* Slafsky Decl. Ex. 8. And even if it were not undisputed that a  
3 majority of the goods identified in the registration were supported by the underlying registration,  
4 there is at least a question of fact as to whether the goods identified in the registration do, in fact,  
5 exceed the scope of the underlying registrations. For example, GoDaddy claims that the  
6 identification of goods such as “gasoline,” “fuel gas,” “fuel oils,” “gas,” “kerosene,” and “oil  
7 gas” in the Petronas registration “exceed the scope” of the identification of goods such as  
8 “petroleum products,” “liquid, gaseous, and solid fuels,” and “petrochemicals” in the original  
9 registrations. *Compare* Slafsky Decl. Ex. 8 with OPPAPP003133, 3135 (Malaysian  
10 Registrations). And GoDaddy does not even address the fact that the U.S. Trademark Examiner  
11 that examined the Petronas registration specifically requested that the identification of goods in  
12 the registration be amended and approved the identification of goods about which GoDaddy now  
13 complains. APPOPP003304-37 (Registration History). Moreover, the examiner did so with  
14 specific knowledge of the “underlying registrations,” which the examiner had not only reviewed  
15 but had required to be updated, notarized, and re-submitted along with the amended  
16 identification of goods about which GoDaddy now complains.

17 As such, GoDaddy’s motion to cancel (presumably) the entire Petronas registration based  
18 on Section 44(e) should be denied.

### 19 CONCLUSION

20 For the reasons set forth above, Petronas respectfully requests that the Court deny  
21 GoDaddy’s motion for summary judgment.

22 Dated: November 16, 2011

LAW OFFICES OF PERRY R. CLARK

24 By:           /s/ Perry R. Clark            
25 Perry R. Clark  
26 Attorney for Plaintiff  
27 PETROLIAM NASIONAL BERHAD  
28 (PETRONAS)