

INTRODUCTION

Plaintiff Petronas (short for Petroliam Nasional Berhad) is the national oil and gas company of Malaysia and the record owner of a federal trademark registration for the mark PETRONAS. Defendant GoDaddy is the world's largest registrar of Internet domain names, maintaining over 40 million domain names for customers around the world. GoDaddy is based in Arizona.

In 2003 an individual with a London, England address -- Heiko Schoenekess -- registered with GoDaddy the Internet domain name <petronastower.net>. Since that time Mr. Schoenekess has apparently posted pornography at this Internet address.

Plaintiff maintains that the <petronastower.net> domain name is infringing and that the pornography posted at this online address is offensive. Plaintiff is suing GoDaddy, the domain name registrar, alleging that GoDaddy has acted with bad faith by allowing and maintaining the <petronastower.net> domain name registration since 2003.

Defendant maintains that, as a matter of law, it is not responsible for the alleged trademark infringement of Mr. Schoenekess or for the content posted at the <petronastower.net> address. Defendant further maintains that Plaintiff is suing the wrong party (by suing GoDaddy rather than Mr. Schoenekess) and that Plaintiff, if its allegations concerning the domain name are true, should have brought an expedited domain name arbitration proceeding years ago.

According to Defendant, domain name arbitrations last only about 60 days from start to finish.

Plaintiff moved this Court for a temporary restraining order against GoDaddy in the days just before Christmas. On December 23, 2009 the Court denied the motion in its entirety.

On January 29, 2010 Plaintiff filed a related lawsuit in the Northern District, pursuant to the "in rem" provisions of the Lanham Act, against the same disputed domain name (<petronastower.net>) as a defendant. See Case No. C10-00 431 EMC. Plaintiff now maintains that it intends to dismiss this action once it secures entry of judgment in the related "in rem" action.

Jurisdiction and Service: Plaintiff alleges subject matter jurisdiction under 28
 U.S.C. §§ 1131 and 1338(b) insofar as its federal claims arise under the Lanham Act. Defendant

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has answered the complaint, and elected not to file a Rule 12 motion with respect to either personal jurisdiction or venue. No parties remain to be served.

2. <u>Facts</u>: In the Complaint Plaintiff asserts claims against Defendant for cybersquatting and contributory cybersquatting, trademark infringement and contributory trademark infringement, false designation of origin, dilution, and state statutory and commonlaw trademark infringement. Defendant has filed an Answer denying the substantive allegations in the Complaint and asserting various affirmative defenses. Defendant argues, in particular, that domain name registrars are shielded from liability for damages and injunctive relief, pursuant to statutory defenses in the Lanham Act and well-established Ninth Circuit case law.

The principal factual issues in dispute are:

- How long Plaintiff has been aware of the disputed domain name and/or the content posted at that address;
- Whether Plaintiff has been vigilant as a trademark owner about monitoring third-party violations and enforcing its trademark rights;
- Whether there has been any actual confusion arising from the registration or use of the disputed domain name;
- Whether Internet users who visit the website at <petronastower.net> are
 likely to be confused about the source of goods or services or content
 promoted there, or about any appearance of sponsorship or endorsement
 by Plaintiff;
- Whether Plaintiff's representations to the U.S. Patent and Trademark
 Office concerning its PETRONAS mark were accurate; and
- Whether Defendant GoDaddy has had notice that the disputed domain name is allegedly infringing, dilutive or otherwise illegal.
- 3. <u>Legal Issues</u>: The disputed points of law in this matter are:
 - Whether and to what extent Plaintiff's federal trademark registration is enforceable in the United States;

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- Whether the disputed domain name is infringing or dilutive;
- Whether Defendant has acted with a bad faith intent to profit from Plaintiff's trademark;
- Whether a domain name registrar is responsible for the infringement, dilution or unfair competition of its registrant customers (<u>See</u>, <u>e.g.</u>, 15
 U.S.C. § 1114(2)(D); <u>Lockheed Martin Corp. v. Network Solutions</u>, <u>Inc.</u>, 194 F.3d 980 (9th Cir. 1999);
- Whether Plaintiff's claims are barred by the equitable doctrines of laches, acquiescence, waiver and/or estoppel;
- Whether Plaintiff has suffered damage as a result of any act or omission by Defendant;
- Whether Plaintiff is entitled to statutory damages;
- Whether this is an "exceptional case," pursuant to 15 U.S.C. § 1117(a),
 entitling Defendant to an award of reasonable attorneys' fees; and
- Whether this is a frivolous action in violation of Fed. R. Civ. P. 11 and entitling Defendant to an attorneys' fees award or other sanctions.
- 4. <u>Motions</u>: Plaintiff's motion for a temporary restraining order was denied on December 23, 2009. Defendant is considering motions for judgment on the pleadings and for sanctions pursuant to Rule 11, and, if necessary, will move at a later stage for summary judgment.
- 5. <u>Amendment of Pleadings</u>: The parties propose that amendment of the pleadings, if any, take place no later than April 25, 2010.
- 6. <u>Evidence Preservation</u>: Plaintiff has taken steps to preserve potentially relevant evidence. Defendant has circulated an internal "litigation hold" memorandum concerning all evidence related to this matter.
- 7. <u>Disclosures</u>: The parties have stipulated to exchange Initial Disclosures no later than April 25, 2010.

- 8. <u>Discovery</u>: The parties have met and conferred concerning a proposed discovery plan pursuant to Rule 26(f). There has been no discovery to date. The parties propose dates below for key pretrial and trial deadlines. The parties do not propose any limitations or modifications of the standard discovery rules.
 - 9. <u>Class Actions</u>: This is not a class action.
- 10. Related Cases: Plaintiff's subsequent Northern District "in rem" Lanham Act action (Case No. C10-00431 EMC) against the same disputed domain name is related to this action. Plaintiff did not at the time of filing designate the "in rem" action as a "related case," and accordingly the Court assigned the "in rem" action to Magistrate Judge Edward Chen. Plaintiff has not filed any papers in the "in rem" action other than its January 29, 2010 complaint.
- 11. Relief: Plaintiff seeks statutory and other damages, an attorneys' fees award, and injunctive relief, including an order mandating transfer of the disputed domain name to Plaintiff. Defendant seeks dismissal of all claims in the Complaint as well as reimbursement for its attorneys' fees, pursuant to the Lanham Act, Fed. R. Civ. P. 11 and 28 U.S.C. § 1927.
- 12. <u>Settlement and ADR</u>: Defendant has not been served with any orders or other documents related to alternative dispute resolution (ADR) for this matter. Absent prompt dismissal of this action, Defendant would consider participating in an early neutral evaluation (ENE) process.
- 13. <u>Consent to Magistrate Judge For All Purposes</u>: The parties do not consent to having a magistrate judge conduct all further proceedings.
- 14. <u>Other References</u>: The parties do not believe that this action is suitable for reference to binding arbitration, a special master, or the Judicial Panel on Multidistrict Litigation.
- 15. <u>Narrowing of Issues</u>: The parties do not see a basis for narrowing issues by agreement, motion or bifurcation.
- 16. <u>Expedited Schedule</u>: Insofar as Plaintiff is based in Malaysia, the registrant of the disputed domain name is in England, and the alleged pornography appears to be originating in Switzerland, there is likely to be considerable international discovery, and thus an expedited schedule is unlikely to be appropriate for this action.

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9	Dated: March 18, 2010	WILSON SONSINI GOODRICH & ROSATI Professional Corporation
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12		By: /s/ John L. Slafsky .
13		John L. Slafsky David E. Kramer
14		Hollis Beth Hire
15		Attorneys for Defendant GODADDY.COM, INC.
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19	SIGNATURE ATTESTATION	
20		ignatories to this document have consented to
21	the e-filing of this document.	8
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23	Dated: March 18, 2010	By: /s/ John L. Slafsky
24		John L. Slafsky
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JOINT CASE MANAGEMENT STATEMENT Case No: 09-CV-5939 PJH